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BEFORE THE
ILLINOIS COMMERCE COMMISSION

AMEREN ILLINOIS COMPANY)
d/b/a AMEREN ILLINOIS)
) Docket No.
Revenue-neutral tariff changes) 13-0476
related to rate design.) REHEARING
(Tariffs filed on July 22, 2013.))

Friday, July 11, 2014
Springfield, Illinois

Met, pursuant to notice, at 10:00 A.M.

BEFORE:

JANIS VON QUALEN
Administrative Law Judge

MIDWEST LITIGATION SERVICES, by
Robin A. Enstrom, RPR, CSR
CSR No. 084-002046

1 APPEARANCES:

2 MR. ERIC E. DEARMONT
3 Ameren Services
4 1901 Chouteau Avenue
5 PO Box 66149, MC 1310
6 St. Louis, Missouri 63166-6149

7 -and-

8 MR. CHRISTOPHER KENNEDY
9 Whitt Sturtevant, LLP
10 88 East Broad Street, Suite 1590
11 Columbus Ohio 43125
12 (Appearing on behalf of Ameren
13 Illinois Company.)

14 MR. JAMES OLIVERO
15 Illinois Commerce Commission
16 527 East Capitol Avenue
17 Springfield, Illinois 62701

18 -and-

19 MS. KIMBERLY SWAN
20 MR. MICHAEL LANNON
21 Illinois Commerce Commission
22 160 North LaSalle Street, Suite C-800
23 Chicago, Illinois 60601
24 (Appearing on behalf of Staff of
25 the Illinois Commerce Commission.)

MR. SAMEER DOSHI
MS. SUSAN SATTER
Office of the Illinois Attorney General
100 West Randolph, 11th Floor
Chicago, Illinois 60601
(Appearing on behalf of the
People of the State of Illinois.)

MR. RYAN ROBERTSON
Lueders, Robertson & Konzen
1939 Delmar Avenue
Granite City, Illinois 62040
(Appearing on behalf of IIEC
via phone.)

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I N D E X

WITNESSES:

DIRECT CROSS

CRAIG NELSON		
By Mr. Dearmont	7	
By Mr. Doshi		10
By Mr. Doshi		26
CHERI HARDEN		
By Mr. Olivero	27	
By Mr. Doshi		30
By Mr. Dearmont		33
SCOTT RUBIN		
By Mr. Doshi	52	
By Mr. Kennedy		53
LEONARD JONES		
By Mr. Kennedy	98	
By Mr. Doshi		102

E X H I B I T S

ID ADMIT

Ameren Exhibit 1.0 RH Second Revised	8	25
Ameren Exhibit 1.1 RH	8	25
Ameren Exhibit 1.2 RH	9	25
Ameren Exhibit 3.0 RH	9	25
Ameren Exhibit 2.0 RH Second Revised	99	145
Ameren Exhibit 2.1 RH Corrected	99	145
Ameren Exhibit 2.2 RH - 2.6 RH	99	145
Ameren Exhibit 2.7 RH Second Corrected	99	145
Ameren Exhibit 2.8 RH	99	145
Ameren Exhibit 2.9 RH Corrected	99	145
Ameren Exhibit 2.10 RH	99	145
Ameren Exhibit 2.11 RH	99	145
Ameren Exhibit 2.12 RH Corrected	99	145
Ameren Exhibit 4. RH	100	145
Ameren Exhibit 4.1 RH - 4.5 RH	101	145
ICC Staff Exhibit 1.0 R	28	51
ICC Staff Exhibit 2.0 RH	29	51

1	Ameren Cross Exhibit 1	40	41
	Ameren Cross Exhibit 2	46	48
2	Ameren Cross Exhibit 3	48	49
	Ameren Cross Exhibit 4	48	49
3	Ameren Cross Exhibit 5	54	54
	Ameren Cross Exhibit 6	54	55
4	Ameren Cross Exhibit 7	57	61
	Ameren Cross Exhibit 8	58	61
5	Ameren Cross Exhibit 9	61	62
	Ameren Cross Exhibit 10	64	70
6	Ameren Cross Exhibit 11	67	70
	Ameren Cross Exhibit 12	71	97
7	Ameren Cross Exhibit 13	90	90
	Ameren Cross Exhibit 14	92	93
8	Ameren Cross Exhibit 15	94	97
9	AG Exhibit 3.0	51	97
	AG Exhibit 4.0 C	51	97
10	AG Exhibit 4.1	51	97
	AG Exhibit 4.2	51	97
11			
	AG Cross Exhibit 1	103	109
12	AG Cross Exhibit 2	128	144
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			

1 PROCEEDINGS

2 JUDGE VON QUALEN: By the authority
3 vested in me by the Illinois Commerce Commission,
4 I now call Docket No. 13-0476.

5 This is rehearing on the docket that
6 was initiated by a petition filed by Ameren
7 Illinois Company d/b/a Ameren Illinois seeking
8 approval of revenue-neutral tariff changes
9 related to rate design pursuant to Section
10 16-108.5(e) of the Illinois Public Utilities Act.

11 May I have the appearances for the
12 record.

13 MR. DEARMONT: Good morning, Judge.
14 Eric Dearmont on behalf of Ameren Illinois
15 Company d/b/a Ameren Illinois. My business
16 address is 1901 Chouteau Avenue, St. Louis,
17 Missouri 63166.

18 MR. KENNEDY: Good morning.
19 Christopher Kennedy with the law firm Whitt
20 Sturtevant, LLP, 88 East Broad Street, Suite
21 1590, Columbus, Ohio 43215, also appearing on
22 behalf of the Company.

23 MR. OLIVERO: Good morning, Your
24 Honor. Appearing on behalf of the Staff

1 witnesses of the Illinois Commerce Commission,
2 Kimberly Swan, Michael Lannon, and James Olivero,
3 and I believe our addresses are already in the
4 record. Thank you.

5 MR. DOSHI: Good morning, Your Honor.
6 On behalf of the People of the State of Illinois,
7 by and through the Attorney General, Sameer H.
8 Doshi -- that's spelled S-a-m-e-e-r D-o-s-h-i --
9 and Susan L. Satter, S-a-t-t-e-r. Our business
10 address is 100 West Randolph Street, 11th Floor,
11 Chicago, Illinois 60601.

12 JUDGE VON QUALEN: Are there any
13 others wishing to enter an appearance?

14 MR. ROBERTSON: Yes, Your Honor.
15 Ryan Robertson on behalf of IIEC, Lueders,
16 Robertson & Konzen, 1939 Delmar Avenue, Granite
17 City, Illinois 62040.

18 JUDGE VON QUALEN: Are there any
19 others wishing to enter an appearance?

20 (No response.)

21 JUDGE VON QUALEN: Let the record
22 show no response.

23 This matter comes on for an
24 evidentiary hearing this morning.

1 Are there any preliminary matters
2 before we begin?

3 MR. DEARMONT: Company is aware of
4 none.

5 MR. KENNEDY: Yeah. No, Your Honor.

6 JUDGE VON QUALEN: All right, then.
7 Would the witnesses who are in the room please
8 rise and raise your right hand.

9 (Mr. Nelson, Mr. Jones, Ms.
10 Harden, and Mr. Rubin were
11 duly sworn.)

12 JUDGE VON QUALEN: You may be seated.
13 You may call your first witness.

14 MR. DEARMONT: Ameren Illinois calls
15 Mr. Craig D. Nelson.

16 DIRECT EXAMINATION

17 QUESTIONS BY MR. DEARMONT:

18 Q. Good morning, Mr. Nelson. How are
19 you?

20 A. I'm fine. Thank you.

21 Q. Great. Would you please state and
22 spell your name for the record.

23 A. My name is Craig Nelson, C-r-a-i-g
24 N-e-l-s-o-n.

1 Q. Please provide your business address
2 including zip code.

3 A. 300 Liberty Street, Peoria, Illinois
4 61602.

5 Q. What is your present title with
6 Ameren Illinois?

7 A. Senior vice president, regulatory
8 affairs and financial services.

9 Q. Are you the same Craig Nelson who on
10 June 26 filed Second Revised Direct Testimony on
11 Rehearing identified as Ameren Exhibit 1.0
12 Rehearing Second Revised?

13 A. Yes.

14 Q. Do you have any corrections to that
15 testimony?

16 A. I do not.

17 Q. If asked the same questions as
18 contained therein, would your answers be the same
19 or substantially the same today?

20 A. Yes, they would.

21 Q. And did you also sponsor the exhibit
22 designated at Ameren Exhibit 1.1 Rehearing,
23 consisting of 22 pages and filed on e-Docket on
24 June 10, 2014?

1 A. Yes.

2 Q. And did you also sponsor Ameren
3 Exhibit 1.2 Rehearing, consisting of 474 pages,
4 filed on June 10, 2014?

5 A. Yes, I did.

6 Q. Are you the same Craig Nelson who
7 prepared and caused to be filed Rebuttal
8 Testimony on Rehearing designated as Ameren
9 Exhibit 3.0 Rehearing?

10 A. Yes.

11 Q. To the best of your knowledge, that
12 document was filed on e-Docket on July 3rd of
13 this year?

14 A. That's correct.

15 Q. Do you have any corrections to that
16 testimony?

17 A. I do not.

18 Q. If asked the same questions as
19 contained therein, would your answers be the same
20 or substantially the same today?

21 A. Yes.

22 MR. DEARMONT: I have no further
23 questions for Mr. Nelson, and I would move for
24 the admission of his exhibits and testimony

1 subject to cross-examination.

2 JUDGE VON QUALEN: Are there any
3 objections to Mr. Nelson's testimony or exhibits?

4 (No response.)

5 JUDGE VON QUALEN: Hearing none,
6 Mr. Doshi, do you have any cross-examination?

7 MR. DOSHI: Yes, thank you, Your
8 Honor. I have a short amount of questions for
9 Mr. Nelson.

10 CROSS-EXAMINATION

11 QUESTIONS BY MR. DOSHI:

12 Q. Mr. Nelson, good morning.

13 A. Good morning.

14 Q. Good to meet you again.

15 A. Thank you.

16 Q. Could you please turn in your direct
17 testimony, Ameren Exhibit 1.0 RH Second Revision,
18 to page -- page 7.

19 A. I am there.

20 Q. At line 143 and 144, it says
21 "...customers need to be kept well informed of
22 the details of pending rate increases."

23 Do you see that?

24 A. I do see that.

1 Q. Do you know if Ameren has already or
2 intends to in the next six months inform its
3 customers of the pending rate increase that will
4 take effect in January 2015 according to Ameren's
5 filing in Docket 14-0317?

6 A. Yes, I do know. We have already
7 informed customers, and we will continue to
8 inform customers about the pending rate
9 increases.

10 Q. Can you tell me what form of
11 communication that has taken?

12 A. I may not know all the forms; but, of
13 course, there's the public notices at the time of
14 filing. There's the analysis required by the
15 Commission to be filed with the rate case that
16 discloses the impact on customers and customer
17 groups by rate class. We've responded to press
18 inquiries about the rate case filing, and I
19 believe -- but I'm not certain, and maybe
20 Mr. Jones could clarify -- that we also have
21 something on our website in regard to the filing.

22 Q. Mr. Nelson, does the Company plan to
23 communicate any information about the pending
24 rate increase through bill inserts?

1 A. I don't know the answer to that.

2 Q. Do you think a bill insert would be
3 an effective form of communication of the pending
4 rate increase?

5 A. It is one effective method. I don't
6 know if we intend to use it, though.

7 Q. All right. Thank you.

8 Could you please turn to page 11 in
9 the same Direct Testimony on Rehearing, Exhibit
10 1.0 RH Second Revision. At line 251, you
11 state -- or rather line 250 you state -- and this
12 is referring to 2007 -- "...representatives of
13 the Commission and Ameren Illinois emphasized,
14 repeatedly, that their efforts to inform and
15 educate customers about the upcoming rate
16 increases would have benefited from providing
17 residential customers with projected monthly bill
18 impacts, based on estimated usage, for subgroups
19 of the residential class, like electric
20 space-heating customers, prior to the new rates
21 going into effect."

22 Do you see that?

23 A. I do see it, yes.

24 Q. Do you know if Ameren has already or

1 intends to provide customers with the type of
2 detailed bill impacts analysis based on
3 differential usage that's contemplated in that --
4 in that portion of your testimony I just cited?

5 A. I believe we have in our rate case
6 filing; and, again, I'd like to defer to
7 Mr. Jones, but I believe that what he's filed as
8 a witness in that case is much more detailed than
9 we did in 2007 with much more information by
10 customer class.

11 Q. Other than the filing in this case as
12 well as Docket 14-0317 with the Illinois Commerce
13 Commission, has the Company provided customers
14 with the type of detailed bill impacts
15 contemplated in that quoted testimony?

16 A. As I testified earlier, we have
17 complied with the public notices in newspapers as
18 required by law as well.

19 Q. Has the Company provided the type of
20 bill impacts -- detailed bill impacts that you
21 described at lines 252 - 254 in your testimony
22 other than through ICC filings?

23 A. Yes, through the public notices of
24 newspapers.

1 Q. All right. Thank you.

2 May I ask one more question on that
3 topic: Do the public notices in newspapers that
4 you described resemble any exhibit filed in this
5 case or Docket 14-0317 with a detailed breakdown
6 of bill impacts by usage?

7 A. I would have to speculate on that;
8 and, again, I'd defer to Mr. Jones who has a
9 better knowledge of what we put in the public
10 notices.

11 Q. All right. Thank you.

12 Now please turn to page 13 of your
13 Direct Testimony. At page -- at line 306, you
14 state "The Commission and the utility always
15 should try to inform and educate residential
16 customers, as best they can, on potential bill
17 impacts, the reason for the rate increases, and
18 the available energy assistance programs for
19 which they may qualify. The challenge in this
20 case is that the incremental bill impacts that
21 residential customers will experience from the
22 AG's proposal (if adopted) will not be caused by
23 any change in capital investment or expense; they
24 will be caused by a departure from the

1 Commission's previously approved rate design."

2 With respect to informing customers,
3 why would the cause of a prospective rate
4 increase pose a challenge?

5 A. I don't think that -- I may not
6 understand your question; so let me rephrase it.
7 Customers should be informed, and they should be
8 informed as to the reason, but in the case of the
9 AG's proposal, there is no impact on the amount
10 of the rate increase in total. It's just a
11 shifting of who pays that rate increase. That's
12 the distinction I'm trying to make.

13 Plus the -- we have the concern that
14 this is simply an AG proposal at this time, and
15 we don't know whether we should inform customers
16 or not because it's simply a proposal at this
17 time, especially since the Commission, in two
18 different orders, has approved the SFV pricing
19 ratemaking that the Company has proposed.

20 Q. Would it be fair, then, to say that
21 the challenge you refer to at line 308 refers to
22 the fact that this docket is still pending and
23 will likely not be resolved until October of this
24 year -- early October?

1 A. That's one concern, yes. The
2 uncertainty about whether the Commission will
3 approve the AG's proposal is one thing that we're
4 struggling with, and then -- and I think there
5 will be some customer confusion as to why certain
6 customers have an increase when it's not tied to
7 capital investment. So it's both of those
8 things.

9 And customers can understand that,
10 when you invest in infrastructure, costs go up.
11 I think some customers will not understand, when
12 it's not tied to infrastructure investment or
13 costs, why their bills are increasing
14 substantially.

15 Q. So you believe it would be
16 challenging for the Company to explain to
17 customers -- if the AG's rate design were, in
18 fact, adopted in this case, you feel it would be
19 challenging for the Company to explain to
20 customers how rates are being redesigned; is that
21 correct?

22 A. I think it would be a challenge, and
23 I think it will be more challenging than
24 explaining that we've invested in infrastructure.

1 Q. When the Commission -- I'm sorry.

2 When the Company explains its likely
3 2015 rate increase to customers pursuant to its
4 proposed revenue requirements in Docket No.
5 14-0317, does the Company go into the details of
6 reconciliation, under-recoveries, or over-
7 recoveries pursuant to Section 16-108.5(e) of the
8 Public Utilities Act?

9 A. Well, we certainly explain it in our
10 testimony as to how we arrived at the amount of
11 the requested increase. So it is public
12 information, and I don't know whether -- I'll
13 stop there.

14 Q. All right. Thank you.

15 Could I direct you to page 8 of your
16 direct testimony at --

17 A. Did you say page 8?

18 Q. Page 8, that's correct, at line 164
19 and 165. Referring, again, to 2007, you state
20 "The public reaction was largely negative and
21 immediately vocal. We began receiving calls from
22 angry customers and concerned civic leaders soon
23 after people received their bills reflecting the
24 new rates."

1 Do you see that?

2 A. I do, yes.

3 Q. Okay. Thank you.

4 I'm sorry. Just locating a stack of

5 papers.

6 I'm sorry. I'd like to move on.

7 JUDGE VON QUALEN: Please do.

8 Q. (By Mr. Doshi) Mr. Nelson, are you

9 aware that during 2006 there were a number of

10 serious storms in the central and southern

11 Illinois region?

12 A. Yes. I remember that.

13 Q. Would that have contributed to -- to

14 the feelings of customers about their electric

15 service in early 2007?

16 MR. DEARMONT: I object. I think

17 that may call for speculation.

18 Q. (By Mr. Doshi) Do you know if that

19 contributed to feelings of customers regarding

20 their Ameren electric service in early 2007?

21 A. Yes. I have an opinion on it.

22 Q. You have an opinion?

23 A. Yes.

24 Q. Could you please tell us your

1 opinion.

2 A. Yes. I believe that our response to
3 outages and timeliness of restoring service does
4 impact customers' perception in any -- at any
5 time -- 2006, '07, '08, '09, all the way to 2014.

6 Q. All right. Thank you.

7 Your Honor, that's all my questions
8 for Mr. Nelson.

9 JUDGE VON QUALEN: Is there any
10 redirect?

11 MR. DEARMONT: May we have just a
12 brief moment --

13 JUDGE VON QUALEN: Yes.

14 MR. DEARMONT: -- Judge?

15 (Off the record.)

16 MR. DEARMONT: Company has no
17 redirect, Judge.

18 JUDGE VON QUALEN: All right, then.

19 In regards to your motion for
20 admission into evidence, Mr. Dearmont, yesterday
21 I asked you to today identify for me what portion
22 of these two large exhibits you're relying on and
23 what the purpose of entering them into evidence
24 is.

1 MR. DEARMONT: Yes, Your Honor. And,
2 if you don't mind, I'd like to discuss them
3 individually.

4 JUDGE VON QUALEN: That would be
5 fine.

6 MR. DEARMONT: Looking at Exhibit
7 1.1 -- and I believe as just highlighted in the
8 questioning by counsel for the AG -- the purpose
9 of that information is not offered to support the
10 accuracy or veracity of the information contained
11 in those news articles but rather to support the
12 discussion found in Mr. Nelson's testimony at
13 page 8, specifically lines 163 to 167.

14 In other words, the assertion that
15 those documents support is that public reaction
16 in and around 2007 was largely negative and
17 immediately vocal. "We" -- being the Company --
18 "began receiving calls from angry customers and
19 concerned civic leaders soon after people
20 received their bills reflecting the new rates.
21 The electric space-heating customers were
22 especially vocal, as you might expect, given the
23 bill impacts that they experienced."

24 So in support of those statements,

1 the articles attached as Ameren Exhibit 1.1 is
2 offered.

3 JUDGE VON QUALEN: All right.

4 And as for 1.2?

5 MR. DEARMONT: Moving to 1.2, the
6 information contained in the House transcript,
7 again, is not offered in an attempt to support
8 the factual information contained therein but
9 rather in an effort to support the assertions
10 made in Mr. Nelson's testimony about the three
11 themes that Ameren took away from the information
12 from that House hearing. In other words,
13 hardship on customers, lack of knowledge and
14 communication, and customer confusion and
15 frustration.

16 For what it's worth, Your Honor, I
17 believe that that document may also qualify as a
18 public record admissible pursuant to Illinois
19 Rule of Evidence 803(d)(8).

20 JUDGE VON QUALEN: My concern about
21 the Exhibit 1.2 is that I'm not sure what -- how
22 that's going to be used in your briefs and
23 things. You've provided a 400-page document. I
24 don't feel that it would be up to me to read

1 through that entire transcript and determine what
2 it says.

3 MR. DEARMONT: Might I offer a
4 compromised suggestion? I think, as identified
5 in the testimony of Mr. Nelson, the statements
6 that are most important to his assertions are
7 reproduced, I believe, in bullet point items in
8 his testimony.

9 JUDGE VON QUALEN: I see that.

10 MR. DEARMONT: If it helps, I believe
11 that we would be willing to offer only those
12 portions of the House transcript that relate to
13 those bullet point statements.

14 JUDGE VON QUALEN: That would be
15 preferable, yes.

16 MR. DEARMONT: And we would have no
17 objection to that approach.

18 MR. KENNEDY: So just so it's clear,
19 we would -- you would want us to refile a revised
20 exhibit on e-Docket with just those particular
21 pages?

22 JUDGE VON QUALEN: Yes, please.

23 MR. DEARMONT: Glad to do it. Thank
24 you, Judge.

1 MR. DOSHI: Your Honor, for what it's
2 worth, the People support the admission in full
3 of Ameren Exhibit 1.2, the legislative
4 transcript.

5 JUDGE VON QUALEN: And can you tell
6 me any particular pages that you would have me
7 read and the reason that they would be entered
8 into evidence?

9 MR. DOSHI: Sure. On page 333 of the
10 legislative transcript, then-Lieutenant Governor
11 Pat Quinn gave a prepared statement, saying "The
12 Ameren Company last December let its customers
13 down with tremendous reliability problems that
14 led to a blackout that lasted for more than a
15 week for customers."

16 Just to pick that one example, we
17 find that relevant to establish some reasons why
18 Ameren's customers were quite upset in January of
19 2007 other than rate increases.

20 JUDGE VON QUALEN: So are you
21 requesting that, when Ameren refiles Exhibit 1.2,
22 they include that page?

23 MR. DOSHI: Yes, Your Honor. We
24 request the inclusion of page 333 as well as --

1 as well as page -- pages 13 and 14 and page 108,
2 and that's all.

3 JUDGE VON QUALEN: Does Ameren have
4 any objection to including those pages?

5 MR. DEARMONT: Well, I guess I'm a
6 little confused about how we get there
7 procedurally. Unlike the statements identified
8 in Mr. Nelson's testimony, I don't know that
9 those pages or those propositions were relied
10 upon by Mr. Nelson to support any assertion in
11 his testimony. So in that respect I think it can
12 be differentiated.

13 JUDGE VON QUALEN: So you are saying
14 you object to including those pages?

15 MR. DEARMONT: So noted. Yes, Judge.

16 JUDGE VON QUALEN: All right. I will
17 sustain your objection.

18 If Ameren would refile Ameren Exhibit
19 1.2 Rehearing with the pages that they have
20 identified that Mr. Nelson relied upon, then --
21 and are there any other objections to Mr.
22 Nelson's testimony?

23 (No response.)

24 JUDGE VON QUALEN: Hearing none,

1 Ameren Exhibit 1.0 RH Second Revised, filed on
2 June 26, 2004; Ameren Exhibit 1.1 RH, supporting
3 the Second Revised Testimony, filed on June 10,
4 2014; Ameren Exhibit 3.0 RH, the Rebuttal
5 Testimony of Craig Nelson, filed on July 3, 2014;
6 and the revised version of Ameren Exhibit 1.2 RH,
7 which will be filed on e-Docket in the near
8 future, are admitted into evidence.

9 Thank you, Mr. Nelson.

10 MR. DEARMONT: Thank you, Judge.

11 MR. DOSHI: Your Honor?

12 JUDGE VON QUALEN: Yes.

13 MR. DOSHI: The People were relying
14 on -- on -- on all of Ameren's Exhibit 2.2 being
15 admitted into evidence. If Exhibit 2.2 were not
16 admitted into evidence, as was just decided, then
17 the People might have one additional question for
18 Mr. Nelson.

19 JUDGE VON QUALEN: All right.

20 Mr. Nelson, I'm sorry. Would you
21 please return to the stand.

22 MR. OLIVERO: You meant 1.2; right?

23 MR. DOSHI: I'm sorry. I meant 1.2.

24 RECROSS EXAMINATION

1 QUESTIONS BY MR. DOSHI:

2 Q. Sorry to trouble you with one more
3 question, Mr. Nelson.

4 In a legislative hearing in the
5 Illinois House of Representatives on February 27,
6 2007, then-Lieutenant Governor Pat Quinn stated,
7 "The Ameren Company last December let its
8 customers down with tremendous reliability
9 problems that led to a blackout that lasted for
10 more than a week for customers."

11 Are you familiar with that hearing
12 and that testimony?

13 A. I'm familiar with the hearing. I'm
14 not familiar with that part of the testimony.

15 Q. Are you aware of whether customer --
16 Ameren customers in January of 2007 voiced
17 concerns about reliability problems in December
18 of 2006 as then-Lieutenant Governor Pat Quinn
19 described in that statement?

20 A. I don't know.

21 Q. All right.

22 Thank you.

23 MR. DEARMONT: No redirect. Thank
24 you.

1 JUDGE VON QUALEN: Thank you,
2 Mr. Nelson.

3 MR. KENNEDY: Your Honor, because of
4 a scheduling issue with Mr. Rubin, I have spoken
5 with co-counsel -- or counsel for Staff and the
6 AG, and we'd like to push Mr. Jones to after
7 lunch and have him go last and have Ms. Harden go
8 next, if that's okay with you.

9 JUDGE VON QUALEN: That's fine.

10 MR. OLIVERO: Your Honor, we would
11 then call Ms. Harden to the stand.

12 JUDGE VON QUALEN: Ms. Harden, you
13 were in the room and formally sworn in; is that
14 right?

15 MS. HARDEN: Yes, I was.

16 MR. KENNEDY: And the Company would
17 like to go last on the cross of Ms. Harden.

18 DIRECT EXAMINATION

19 QUESTIONS BY MR. OLIVERO:

20 Q. Ms. Harden, would you please state
21 your full name and spell your last name for the
22 record.

23 And make sure your microphone's on.

24 A. I see a light now.

1 My name is Cheri Harden, C-h-e-r-i
2 H-a-r-d-e-n.

3 Q. And, Ms. Harden, by whom are you
4 employed?

5 A. The Illinois Commerce Commission.

6 Q. And what is your current position
7 with the Illinois Commerce Commission?

8 A. I'm a rate analyst in the financial
9 analysis division.

10 Q. And, Ms. Harden, have you prepared
11 written testimony for purposes of this
12 proceeding?

13 A. Yes.

14 Q. And do you have before you a document
15 which has been marked for identification as ICC
16 Staff Exhibit 1.0 R, entitled Direct Testimony on
17 Rehearing of Cheri Harden, which consists of a
18 cover page, 15 pages of narrative testimony,
19 Attachment 1.01 R, and Schedules 1.01 R through
20 1.03 R?

21 A. Yes.

22 Q. And are those true and correct copies
23 of the direct testimony that you have prepared
24 for this rehearing proceeding and filed on the

1 Commission's e-Docket system on June 10, 2014?

2 A. Yes.

3 Q. And do you also have before you a
4 document which has been marked for identification
5 as ICC Staff Exhibit 2.0 RH, entitled Rebuttal
6 Testimony on Rehearing of Cheri Harden, which
7 consists of a cover page, eight pages of
8 narrative testimony, and Attachment 2.01 RH?

9 A. Yes.

10 Q. And are those true and correct copies
11 of the rebuttal testimony that you have prepared
12 for this rehearing proceeding and filed on the
13 Commission's e-Docket system on July 3, 2014?

14 A. Yes.

15 Q. Ms. Harden, do you have any
16 corrections to make to your prepared direct or
17 rebuttal testimony?

18 A. No.

19 Q. And is the information contained in
20 ICC Staff Exhibits 1.0 R and 2.0 RH and the
21 accompanying schedules and attachments true and
22 correct, to the best of your knowledge?

23 A. Yes.

24 Q. And if you were asked the same

1 questions today, would the answers contained in
2 your prepared testimony be the same or
3 substantially the same?

4 A. Yes.

5 MR. OLIVERO: Your Honor, I would ask
6 for admission into evidence of Ms. Harden's
7 prepared direct testimony marked as ICC Staff
8 Exhibit 1.0 R, including schedules and
9 attachments, and Ms. Harden's prepared rebuttal
10 testimony marked as ICC Staff Exhibit 2.0 RH,
11 including the attachment; and, as noted
12 previously, these were filed on the Commission's
13 e-Docket system on June 10, 2014, and July 3,
14 2014, respectively.

15 And we would tender Ms. Harden for
16 cross-examination.

17 JUDGE VON QUALEN: All right. I'll
18 wait to rule on the motion until after cross.

19 Mr. Doshi.

20 MR. DOSHI: Thank you, Your Honor.

21 CROSS-EXAMINATION

22 QUESTIONS BY MR. DOSHI:

23 Q. Good morning, Ms. Harden.

24 A. Good morning.

1 Q. I'm Sameer Doshi. I'm an attorney in
2 the attorney general's office. I have just a
3 couple questions about your direct and rebuttal
4 testimony on rehearing.

5 Could you please turn to your Exhibit
6 1.0 R, your direct testimony on rehearing, at
7 page 13. At line 282, the question is "Have you
8 designed an alternative that produces bill
9 impacts that fall between those of the AG's
10 traditional and the Company's SFV rate designs?"

11 Your answer is "Yes. This
12 alternative provides a middle ground between the
13 two rate designs."

14 Can I ask: What was your analytical
15 process or justification for choosing a fixed
16 component recovery percentage that is exactly
17 equal between the AG and Ameren proposals? Or
18 exactly equidistance, I should say.

19 A. As I stated in that response that you
20 highlighted, I was just trying to mitigate the
21 high bill impacts could be received on -- in the
22 AG or the Company's proposals.

23 Q. So would it be fair to say that you
24 felt choosing a value midway between the AG and

1 Ameren proposals was -- was fair?

2 A. I just wanted to present an
3 alternative in this rehearing case.

4 Q. All right. Thank you.

5 Ms. Harden, does your rebuttal
6 testimony fully reflect the data request
7 responses provided up until the time of filing of
8 your rebuttal testimony, Exhibit -- Staff Exhibit
9 2.0 RH, by both Mr. Rubin on behalf of the People
10 and Mr. Jones on behalf of Ameren?

11 A. I'm not sure what you're asking.

12 Q. Maybe I'll take a step back.

13 In -- are you aware that, in
14 Mr. Rubin's rebuttal testimony, he took issue
15 with certain of your values from your direct
16 testimony, alleging that certain of the numbers
17 were not quite right?

18 A. Yes.

19 Q. In your rebuttal testimony, did you
20 correct the numbers from your direct testimony
21 based on updated numbers provided by Mr. Rubin of
22 the People -- on behalf of the People and
23 Mr. Jones on behalf of Ameren?

24 A. I did not.

1 Q. All right. Thank you.

2 Are you aware of how your bill impact
3 analysis might change if you had updated the
4 customer charge in the AG's proposed rate design
5 as Mr. Rubin suggested in his rebuttal testimony
6 that you should?

7 A. I'm not aware -- aware of the
8 specific number, but it seemed very minor, which
9 is why I did not address it.

10 Q. Do you know in what direction the
11 bill impacts would generally change?

12 A. I do not remember which direction,
13 but it seemed less than 1 percent in either
14 direction.

15 Q. Thank you.

16 Your Honor, that's all my questions
17 for Ms. Harden.

18 JUDGE VON QUALEN: Mr. Dearmont.

19 MR. DEARMONT: Thank you, Judge.

20 CROSS-EXAMINATION

21 QUESTIONS BY MR. DEARMONT:

22 Q. Good morning, Ms. Harden. How are
23 you?

24 A. Fine.

1 Q. You filed testimony in the initial
2 phase of this case; correct?

3 A. Yes.

4 Q. Okay. And in that testimony, you
5 recommended the Commission approve Ameren's
6 proposed increases in the percent of revenues
7 recovered through fixed charges from DS-1
8 customers; correct?

9 A. Yes. I was not opposed to the
10 Company's position.

11 Q. Specifically, you recommended that
12 for DS-1 customers that the SFV recovery target
13 be increased 2.5 percent from 44.8 percent to
14 47.3 percent; correct?

15 A. Yes.

16 Q. As you sit here today, you have not
17 abandoned that recommendation; right?

18 A. No.

19 Q. Do you believe that recommendation
20 adheres to the principles of cost causation?

21 MR. OLIVERO: Your Honor, I think I'm
22 going to object. I wasn't present actually at
23 that first hearing, but I don't believe her
24 direct testimony in that matter went into the

1 specifics of the merits of, like, SFV. I think,
2 if I remember from reading it quickly, was that
3 she was just relying on the fact that it was
4 based on prior decisions of, I think, ComEd and
5 Ameren.

6 MR. DEARMONT: May I respond?

7 I have a copy of your direct
8 testimony. I can -- we can explore that, if need
9 be, but I believe I've asked the question and she
10 has represented that she agrees with the
11 statements or provided -- provided an affirmative
12 response; so --

13 JUDGE VON QUALEN: I didn't hear any
14 response.

15 Did you answer the question already,
16 Ms. Harden?

17 A. Not the last question that was posed.

18 MR. DEARMONT: Let me strike the
19 question, and then start over again.

20 MR. OLIVERO: Okay.

21 Q. (By Mr. Dearmont) Regardless of what
22 your direct testimony in the underlying case
23 says, do you believe that an SFV target for DS-1
24 customers of 47.3 percent adheres to the

1 principles of cost causation?

2 MR. OLIVERO: And, Your Honor, I'm
3 going to object again just on the basis that I
4 don't think in her testimony on rehearing nor in
5 her direct on the initial phase did she go into
6 the basis for why she was recommending the SFV
7 that the Company was proposing. So I think it's
8 beyond the scope of her testimony in both the
9 rehearing and the original phase.

10 MR. DEARMONT: Your Honor, we're here
11 to talk about SFV target percentages. We're here
12 to talk about cost causation. If she doesn't
13 know, she doesn't have to answer. But I believe
14 the question is proper, and it's wholly within
15 the scope of both the underlying case and this
16 rehearing.

17 JUDGE VON QUALEN: Objection
18 overruled.

19 Ms. Harden, if you have an opinion,
20 you may answer.

21 A. In this rehearing testimony, I have
22 specifically discussed bill impacts and that's
23 all I've testified to.

24 MR. DEARMONT: I apologize, but

1 that's not an answer. I believe that's restating
2 the objection without stating the objection.

3 JUDGE VON QUALEN: Would you ask the
4 question again?

5 MR. DEARMONT: I would.

6 Q. (By Mr. Dearmont) And let me try it
7 in the negative.

8 Sitting here today, it's not your
9 testimony that, if the Commission adopted an SFV
10 target percentage of 47.3 percent, that that
11 would somehow offend the principle of cost
12 causation; right?

13 A. That's not my testimony, correct.

14 Q. And that's also not your belief;
15 correct?

16 A. I haven't put that belief into
17 testimony in this rehearing.

18 Q. And that's why I'm asking you about
19 it.

20 A. I am not prepared to bring that
21 discussion into this rehearing.

22 Q. Okay. Are you prepared to discuss
23 whether or not you think an SFV target percentage
24 of 47.3 percent would be at odds with energy

1 efficiency goals?

2 A. No. I'm here to discuss bill impacts
3 as was the underlying cause of this rehearing, I
4 believe.

5 Q. Give me one second.

6 As stated in your testimony on this
7 rehearing phase, you recommend that, if the
8 Commission desires to decrease the percentage of
9 costs recovered from DS-1 customers through the
10 SFV mechanism, that such percentage should be
11 reduced to 36 percent, representing the
12 approximate midpoint between the status quo
13 percentage of 44.8 and the 27.29 percent that you
14 believe the AG recommended; correct?

15 A. Is that somewhere specifically in my
16 testimony? Can you refer me to the line?

17 MR. DEARMONT: May I approach, Your
18 Honor?

19 JUDGE VON QUALEN: You may.

20 Q. (By Mr. Dearmont) Here you go.

21 We're going to walk through some of
22 these documents that I just handed to her.

23 JUDGE VON QUALEN: Will you tell us
24 what documents you've just handed the witness,

1 please?

2 MR. DEARMONT: Yes, Your Honor. I
3 will -- first of all, Your Honor, I have -- or
4 Ms. Harden. Excuse me.

5 Q. (By Mr. Dearmont) I've handed you a
6 data request response labeled AIC-Staff 11.0;
7 correct?

8 A. Yes.

9 Q. Okay. Are you familiar with this
10 question and this response?

11 A. Yes.

12 Q. Okay. You, in fact, sponsored it in
13 response to a question that was posed by the
14 Company?

15 A. Yes.

16 Q. The question states that "The 27.29
17 percent on line 145 of Ms. Harden's rebuttal was
18 updated to 28.03 percent in Ameren Exhibit 2.12
19 RH-C. Does Ms. Harden degree that the new
20 midpoint between the 28.03 percent and the 44.8
21 percent should be 36.4?

22 "If so, does Ms. Harden agree that,
23 if the Commission adopts her position, 36.4
24 percent should be the target percentage of DS

1 revenues collected through fixed charges for
2 rates effective for the January 2015 billing
3 period?

4 "Please include an explanation."

5 Did I read the question correctly?

6 A. Yes.

7 Q. And your response is "Ms. Harden
8 agrees that Ameren updated the 27.29 percent to
9 28.03 percent in Ameren Exhibit 2.12 RH-C. Ms.
10 Harden agrees that" -- and I'm summarizing now --
11 the new midpoint is 36.4 percent if calculated to
12 one decimal rather than rounding to the nearest
13 whole percentage. "Yes, using the midpoint is
14 consistent with Ms. Harden's proposal."

15 That was your response; correct?

16 A. Yes. Thank you for pointing this out
17 because there was a few words that I was unclear
18 on in your first question.

19 Q. Understood. Thank you very much.

20 I would mark this as Ameren Cross
21 Exhibit 1 and move for the admission.

22 JUDGE VON QUALEN: Are there any
23 objections?

24 MR. OLIVERO: Not from Staff, Your

1 Honor.

2 JUDGE VON QUALEN: Then Ameren Cross
3 Exhibit 1 is admitted into evidence.

4 And, Mr. Dearmont, would you tell me
5 again what data request number that was?

6 MR. DEARMONT: It's AIC-Staff 11.01

7 MR. KENNEDY: Can I take a moment
8 just to ask? We're handing exhibits to the court
9 reporter. Is she going to upload them today --
10 the cross exhibits? Or should --

11 JUDGE VON QUALEN: Let's go off the
12 record for a minute.

13 (Discussion off the record.)

14 JUDGE VON QUALEN: Back on the
15 record.

16 Mr. Kennedy, it's my understanding
17 that the court reporter will have the cross
18 exhibits uploaded onto e-Docket.

19 MR. KENNEDY: Thank you, Your Honor.

20 Q. (By Mr. Dearmont) Okay. So to
21 summarize, your midpoint recommendation
22 represents, in fact, the midpoint between the
23 AG's percentage and the -- what I'll refer to as
24 the status quo percentage, in other words, the

1 44.8 percent; correct?

2 A. Yes.

3 Q. Okay. You'd agree with me that

4 another way to find the midpoint would be to use

5 the AG's recommended SFV target percentage and

6 then the ratcheted percentage that the Company

7 advocated in the underlying case, in other words,

8 the -- the 47.3 percent; correct?

9 A. Back at the beginning of your

10 question, the AG's SFV --

11 Q. The 28.03 percent that the Company

12 has since updated in 2.12 RH Corrected.

13 A. Yes.

14 Q. That's the floor.

15 A. Yes.

16 Q. Accept that?

17 A. I wasn't sure on how you labeled it.

18 Q. Understood. I'm glad you asked

19 because I want to make sure that I'm clear.

20 But one possible potential ceiling to

21 use for purposes of your midpoint analysis would

22 be the 47.3 percent; correct?

23 A. Yes.

24 Q. Okay. And be aware of lawyers doing

1 math here, but you'd agree with me that the
2 midpoint between those two numbers is
3 approximately 37.67 percent?

4 A. Subject to check, yes.

5 Q. Thank you.

6 Do you believe that's one reasonable
7 SFV target?

8 A. I'm not sure, again, on the label of
9 SFV target. It is one target in this -- the bill
10 impacts that we're reviewing.

11 Q. Okay. If the final order on
12 rehearing adopted that percentage for DS-1
13 customers, it wouldn't be your opinion that that
14 would be unreasonable?

15 A. Correct.

16 Q. And it wouldn't be your opinion that
17 that percentage is at odds with energy efficiency
18 or conservation goals?

19 A. Again, I don't think we brought
20 conservation energy goals -- whatever term you
21 just used -- into this rehearing process.

22 Q. Same question: As you sit here
23 today, do you think it's at odds with energy
24 efficiency goals?

1 A. The 37.6 percent?

2 Q. Yes, ma'am.

3 A. I have not testified to the energy
4 efficiency goals in this rehearing.

5 JUDGE VON QUALEN: Ms. Harden, if you
6 have an opinion about this, state your opinion,
7 and if you don't have an opinion, say that you do
8 not have an opinion.

9 A. I do not have an opinion in this
10 rehearing process.

11 MR. KENNEDY: You know, Your Honor,
12 we'd like her to clarify whether she has an
13 opinion or not and not reference the rehearing
14 process.

15 JUDGE VON QUALEN: That's a fair
16 question.

17 A. I do not have an opinion.

18 Q. (By Mr. Dearmont) I'm correct, am I
19 not, that you do not agree with Mr. Rubin's
20 recommendation that the Commission adopt Staff's
21 midpoint approach as the first step of a two-year
22 phase-in; correct?

23 A. You are correct. I do not agree with
24 that.

1 Q. Will you agree with me that we are
2 currently in a rising rate environment?

3 A. I've not testified to that in this
4 case.

5 Q. As you sit here today, is it your
6 current belief that residential rates in Ameren
7 Illinois service territory are going to go up in
8 2015?

9 A. Yes.

10 Q. Do you suspect that that will be the
11 next -- the case for the next few years given the
12 spending mandates found in EIMA?

13 A. I'm not familiar with that at all.

14 Q. Don't know one way or another?

15 A. I do not know.

16 Q. If the percentage of revenues
17 obtained from a customer class through a
18 volumetric component increases and that rate
19 design holds constant, the effect on high-use
20 customers will be compounded each year in which
21 rates increase; correct?

22 A. Can you state that one more time?

23 Q. I will. If the percentage of
24 revenues obtained from a customer class through a

1 volumetric component increases and that rate
2 design holds constant, the effect on high-use
3 customers will be compounded each year in which
4 rates rise; correct?

5 A. One more time.

6 Q. Sure.

7 A. I got it all, I think, except the
8 very last part.

9 Q. Absolutely. If the percentage of
10 revenues obtained from a customer class through a
11 volumetric component increases and that rate
12 design holds constant, the effect on high-use
13 customers will be compounded each year in which
14 rates rise.

15 A. Yes. I would agree.

16 Q. Thank you.

17 May I approach again, Your Honor?

18 JUDGE VON QUALEN: You may.

19 Q. (By Mr. Dearmont) Going to hand you
20 a document that I have marked as Ameren Cross
21 Exhibit 2. Do you recognize that document as the
22 45-day tariff filing that resulted in what is the
23 current version of Rider PER?

24 A. I don't recognize it, but I'll take

1 your word for that.

2 Q. Okay. Well, you stated in your
3 testimony -- and I can give you the cite, if
4 you'd like -- but you have reviewed Ameren Rider
5 PER, the dockets leading to the recent -- the
6 current version of that Rider, including the
7 45-day tariff filing. Do you remember that
8 statement?

9 A. I do, yes.

10 Q. Okay. Do you have any reason to
11 argue with me if I represent to you that that's
12 the 45-day tariff filing?

13 A. No reason to argue with you.

14 MR. DEARMONT: At this point I would
15 move for admission of Ameren Cross Exhibit 2.

16 MR. OLIVERO: I'm sorry. What? You
17 just moved --

18 MR. DEARMONT: Moving for admission
19 of that exhibit, the 45-day filing.

20 MR. OLIVERO: Okay. Based on the
21 fact that she understood you to say that that was
22 the filing for the Rider PER; correct?

23 MR. DEARMONT: The 45-day tariff
24 filing, correct.

1 MR. OLIVER: We have no objection.

2 JUDGE VON QUALEN: Ameren Cross
3 Exhibit 2 is admitted into evidence.

4 Q. (By Mr. Dearmont) Ms. Harden, will
5 you agree with me that, in its simplest form, the
6 purpose of Rider PER is to allow the Company to
7 recover from BGS customers costs incurred in
8 procuring energy for them?

9 A. Can you say that one more time,
10 please.

11 Q. Certainly. Will you agree with me
12 that, in its simplest form, the purpose of Rider
13 PER is to allow the Company to recover from BGS
14 customers costs incurred by the Company in
15 procuring energy for them?

16 A. Yes.

17 Q. Okay. Promise we're almost done
18 here.

19 I'm going to hand you two more
20 documents. The first document is a Staff
21 response to AIC-Staff DR 11.08. I've marked that
22 as Ameren Cross Exhibit 3. The second document
23 is it a response to AIC-Staff Exhibit 11.10.
24 I've marked that Ameren Cross Exhibit 4. Do you

1 recognize those documents?

2 A. Yes.

3 Q. Okay. And they contain the questions
4 and subsequent responses to two DRs that the
5 Company issued to you; correct?

6 A. Yes.

7 Q. And you, in fact, sponsored those
8 responses?

9 A. Yes.

10 Q. Okay.

11 I would move for the admission of
12 Ameren Cross Exhibits 3 and 4.

13 MR. OLIVERO: No objection, Your
14 Honor.

15 JUDGE VON QUALEN: Ameren Cross
16 Exhibits 3 and 4 are entered into evidence.

17 Q. (By Mr. Dearmont) Is it fair to say
18 that part of your problem with a PER-like
19 mechanism is your perception that it's kind of
20 complicated?

21 A. Yes.

22 Q. Okay. Are you aware of Staff having
23 had any problems with the administration of Rider
24 PER since its implementation?

1 A. I'm not aware if there have been
2 problems or not.

3 Q. You don't do that work personally?

4 A. I have not done that work in this
5 case.

6 Q. Just one second.

7 No more questions. Thank you.

8 And thank you, Ms. Harden.

9 MR. OLIVERO: Your Honor, could we
10 have just two minutes in order to discuss whether
11 we have --

12 JUDGE VON QUALEN: You may.

13 MR. OLIVERO: Thank you.

14 JUDGE VON QUALEN: Let's take a short
15 break.

16 (Short recess.)

17 JUDGE VON QUALEN: Back on the
18 record.

19 Does Staff have any redirect
20 examination?

21 MR. OLIVERO: No, Your Honor.

22 JUDGE VON QUALEN: Are there any
23 objections to ICC Staff Exhibit 1.0 R, with
24 Attachments 1.01 R, pages 1 to 39, and Schedules

1 1.01 R, 1.02 R, 1.03 R; or the rebuttal testimony
2 of Ms. Harden, which is ICC Staff Exhibit 2.0 RH,
3 with Attachments 2.01 RH?

4 (No response.)

5 JUDGE VON QUALEN: Hearing no
6 objections, those exhibits are admitted into
7 evidence.

8 Thank you, Ms. Harden.

9 MR. KENNEDY: Can we go off the
10 record?

11 JUDGE VON QUALEN: Yes. Off the
12 record

13 (Off the record.)

14 JUDGE VON QUALEN: Back on record.

15 Mr. Doshi.

16 MR. DOSHI: Thank you, Your Honor.

17 Your Honor, at this time we would
18 like to introduce the testimony of the People's
19 expert witness, Scott J. Rubin. That's AG
20 Exhibit 3.0, filed June 10, 2014, including
21 Attachments 3.01 through 3.08. Also, AG Exhibit
22 4.0 C, originally filed July 3, 2014, filed as
23 corrected July 9, 2014, with Attachments AG
24 Exhibit 4.1 and AG Exhibit 4.2.

1 JUDGE VON QUALEN: Mr. Rubin, you
2 were previously sworn?

3 MR. RUBIN: Yes.

4 JUDGE VON QUALEN: Okay.

5 Mr. Doshi, you may begin.

6 DIRECT EXAMINATION

7 QUESTIONS BY MR. DOSHI:

8 Q. Mr. Rubin, could you please state
9 your full name.

10 A. Scott Rubin, R-u-b-i-n.

11 Q. And are you the same Scott Rubin who
12 previously filed the testimony on behalf of the
13 People of the State of Illinois that I just
14 listed?

15 A. Yes.

16 Q. Could you state your employer or
17 occupation.

18 A. I'm self-employed. I'm a consultant
19 and attorney working exclusively on matters
20 involving the public utility industries.

21 Q. And if asked the same questions today
22 that appear in your direct testimony on rehearing
23 and your rebuttal testimony on rehearing, AG
24 Exhibits 3.0 and AG Exhibit 4.0, would you give

1 substantially the same answers?

2 A. Yes.

3 Q. And do you have any corrections to
4 the testimony?

5 A. No.

6 MR. DOSHI: Your Honor, at this time
7 the People would tender Mr. Rubin for
8 cross-examination.

9 JUDGE VON QUALEN: All right.

10 Mr. Kennedy.

11 CROSS-EXAMINATION

12 QUESTIONS BY MR. KENNEDY:

13 Q. Good morning, Mr. Rubin. My name is
14 Christopher Kennedy. I'm counsel for the
15 Company.

16 I'm going to have a lot of paper.
17 I'm going to show all of it to you, but I'll be
18 going back and forth and handing you documents
19 and describing them as I'm going just to try to
20 get this done as quickly as possible.

21 May I approach the witness?

22 JUDGE VON QUALEN: You may.

23 Q. (By Mr. Kennedy) I've handed
24 Mr. Rubin what we've marked for identification as

1 Ameren Cross Exhibit 5. It is a data response
2 dated July 9, 2004, AIC-AG 10.01.

3 Mr. Rubin, have you had a chance to
4 review that response?

5 A. Yes. I prepared it.

6 Q. And you recognize that as a response
7 you prepared in this proceeding?

8 A. Yes.

9 MR. KENNEDY: At this time we'd like
10 to move for admission of Ameren Cross Exhibit 5.

11 MR. DOSHI: No objection, Your Honor.

12 JUDGE VON QUALEN: Ameren Cross
13 Exhibit 5 is entered into evidence.

14 MR. KENNEDY: May I approach again,
15 Your Honor?

16 JUDGE VON QUALEN: You may.

17 Q. (By Mr. Kennedy) I've handed the
18 witness what's been marked for identification as
19 Ameren Cross Exhibit 6. It is a data response
20 dated July 9, 2014, prepared in this proceeding
21 and is identified as AIC-AG 9.01. Have you had a
22 chance to review that response, Mr. Rubin?

23 A. Yes.

24 Q. And you recognize this as a response

1 you prepared?

2 A. Yes. This information was included
3 in a corrected filing of AG Exhibit 4.0 on the
4 same date. So the information is already in the
5 record, I guess.

6 MR. KENNEDY: I'd like to move for
7 admission of Ameren Cross Exhibit 6 into the
8 record.

9 MR. DOSHI: No objection, Your Honor.

10 Q. (By Mr. Kennedy) Mr. Rubin, if
11 you --

12 JUDGE VON QUALEN: Ameren Cross
13 Exhibit 6 is entered into evidence.

14 MR. KENNEDY: Sorry, Your Honor.

15 Q. (By Mr. Kennedy) Mr. Rubin, this DR
16 refers to a Price to Compare table that appears
17 on page 3 of your now-corrected rebuttal;
18 correct?

19 A. Yes.

20 Q. And as the response in your -- and as
21 your rebuttal indicate, the price to compare is a
22 combination of the BGS and the TS rates; correct?

23 A. Yes.

24 Q. And just so everyone's clear, the BGS

1 is the power supply rate for Ameren, and the TS
2 is the transmission rate for Ameren?

3 A. Correct.

4 Q. Can you explain the corrections that
5 you made in this DR response that were reflected
6 in your rebuttal testimony?

7 A. Yes. Well, I'll start with the --
8 sorry. I'll start with the corrections in Zone
9 III. The Zone III rate that had appeared in the
10 initial version of my rebuttal testimony was the
11 rate for the first 800 kilowatt hours per month
12 in non-summer months, and I should have been
13 using the rate for usage in excess of 800
14 kilowatt hours per month. That rate is slightly
15 lower, about a tenth of a cent lower or
16 thereabouts.

17 So correcting that figure in the
18 January 2014 column also results in a change in
19 the -- all of the differences that appear later
20 in that same row for Zone III.

21 And the Zone -- the change in the
22 Zone II row under the Ameren column was simply an
23 error. I'm not sure what number I picked up, but
24 I did an addition incorrectly or picked up the

1 wrong number; so -- and this was corrected in a
2 previous data response, but I thought, while we
3 were correcting the table, we might as well
4 correct everything. So the figure that appears
5 in the Ameren column on the Zone II row is the
6 correct arithmetic for the other figures; and,
7 again, that was just a mathematical error that I
8 made.

9 MR. KENNEDY: May I approach the
10 witness again, Your Honor?

11 JUDGE VON QUALEN: You may.

12 Q. (By Mr. Kennedy) I've handed the
13 witness what's been marked for identification as
14 Ameren Cross Exhibit 7. This is a data response
15 prepared July 8, 2014, in this docket. It is
16 identified as AIC-AG 7.03. Mr. Rubin have you
17 had a chance to review that response?

18 A. Yes.

19 Q. And do you recognize that as a
20 response that you prepared?

21 A. Yes.

22 Q. Now, the response here indicates
23 that -- again, referring to this table on page 3
24 of your corrected rebuttal -- indicates that the

1 source of your price-to-compare prices was found
2 on the Plug In Illinois website; correct?

3 A. Correct.

4 Q. And you've identified the file there
5 for the January 2014 -- what we'll call your
6 January 2014 price, the file is Historical Prices
7 to Compare. It's an Excel file that you
8 downloaded from the website; is that correct?

9 A. Yes.

10 Q. And you note here in this response
11 that your January 2014 price that you're using
12 for the three rate zones would have been the rate
13 effective in December 2013; correct?

14 A. Yes.

15 MR. KENNEDY: May I approach again,
16 Your Honor?

17 JUDGE VON QUALEN: You may.

18 Q. (By Mr. Kennedy) I've handed Mr.
19 Rubin a document that's been marked for
20 identification as Ameren Cross Exhibit 8. It is
21 a five-page document entitled Historical Prices
22 to Compare. On the first page is the prices for
23 ComEd. Page 2 is Ameren Illinois Rate Zone I.
24 Page 3 is Ameren Illinois Rate Zone I Metro East.

1 Page 4 is Ameren Illinois Rate Zone II, and page
2 5, is Ameren Illinois Rate Zone III.

3 Have you had a chance to review this
4 document, Mr. Rubin?

5 A. I have briefly looked at it. It
6 looks to be a printout of the spreadsheet from
7 the Plug In Illinois website that I relied upon.

8 Q. I'll represent to you that it is the
9 website -- the printout -- the downloaded file
10 from the website. As you sit here today, you
11 have no reason to doubt my representation?

12 A. I'll take your word for it.

13 Q. If you could look at, for instance,
14 the second page of this exhibit; and in comparing
15 the January 2014 rate for Zone I that you list in
16 this data response and also in your exhibit, you
17 list 4.887 cents, and it's correct that you can
18 find that in page 2, in the column Usage Above
19 800 Kilowatts, effective October 2013?

20 A. Yes.

21 Q. Now, is it true, if you go down to
22 the January 2014 effective rate, that that was a
23 lower rate?

24 A. It was reduced slightly in January,

1 yes.

2 Q. Now, if you could turn to page 4 of
3 the exhibit; and, again, looking at now Zone II,
4 the January 2014 price that you list on your
5 exhibit is 4.816 cents. Again, as this document
6 indicates, for usage above 800 kWh, that was the
7 rate effective in October '13; correct?

8 A. Yes.

9 Q. And as with Zone I, the rate went
10 slightly down to 4. -- well, not -- it slightly
11 decreased for Rate Zone II to 4.8, effective
12 January 2014?

13 A. Correct.

14 Q. And if you could look at the last
15 page, which is Ameren Rate Zone III. The
16 corrected value which you now show in your table
17 is 4.709 cents for the January 2014 price. This
18 document, Ameren Exhibit -- Cross Exhibit 8,
19 indicates that that was the price effective in
20 October '13, correct, for usage above 800 kWh?

21 A. Effective in October, November, and
22 December, yes.

23 Q. And then, as with the other zones,
24 there was a slight decrease effective January

1 2014; correct?

2 A. Correct.

3 MR. KENNEDY: At this time I'd like

4 to move into evidence Ameren Exhibit -- Cross

5 Exhibit 7 and Ameren Cross Exhibit 8.

6 MR. DOSHI: No objection, Your Honor.

7 JUDGE VON QUALEN: Ameren Cross

8 Exhibit 7 and Ameren Cross Exhibit 8 are entered

9 into evidence.

10 MR. KENNEDY: May I approach the

11 witness, Your Honor?

12 JUDGE VON QUALEN: You may.

13 Q. (By Mr. Kennedy) I've handed Mr.

14 Rubin what has been marked as Ameren Cross

15 Exhibit 9. It is a two-page document that

16 contains two data responses that Mr. Rubin

17 provided, both dated July 8, 2014. Page 1 is the

18 response to AIC-AG 7.05. Page 2 is the response

19 to AIC-AG 7.06.

20 Have you had a chance to review that

21 data, Mr. Rubin?

22 A. Yes.

23 Q. And do you recognize these as

24 responses you prepared in this proceeding?

1 A. Yes.

2 MR. KENNEDY: I'd like to move into
3 evidence, Your Honor, Ameren Cross Exhibit 9.

4 JUDGE VON QUALEN: Mr. Doshi.

5 MR. DOSHI: The People do not object,
6 Your Honor.

7 JUDGE VON QUALEN: Ameren Cross
8 Exhibit 9 is admitted into evidence.

9 Q. (By Mr. Kennedy) Now, Mr. Rubin, in
10 this exhibit, you agree or you admit that, in
11 your Price to Compare table, which was included
12 in AIC-AG 9.01 and then in your corrected
13 rebuttal, that you did not include Rate Zone I
14 Metro East prices in that table; correct?

15 A. Correct.

16 Q. And there's no indication in that
17 table what the Rate Zone I Metro East price
18 would be effective in January 2015; correct?

19 A. In January 2015, I believe the prices
20 are the same throughout Rate Zone I. If I'm
21 remembering correctly, the distinction between
22 Rate Zone I and Rate Zone I Metro East will no
23 longer exist as of October 2014 for the Price to
24 Compare.

1 Q. But it's correct it's not reflected
2 in your table?

3 A. Correct. I did note some of these
4 issues with the price to compare in my direct
5 testimony on rehearing. But, you're right, it is
6 not in that table.

7 Q. Now, the price-to-compare prices are
8 the rates that DS-1 customers would pay if AIC
9 provides their power supply; correct?

10 A. That is my understanding, yes.

11 Q. And you're aware that the State of
12 Illinois has a competitive market where
13 alternative suppliers can provide power supply to
14 Ameren's customers?

15 A. That's a way to characterize it, yes.

16 Q. Do you happen to know the percentage
17 of DS-1 residents who take power supply service
18 from the Company?

19 A. I do not.

20 Q. Let me correct my earlier question.
21 When I was referring to DS-1 customers taking
22 power supply, I meant to say B -- you're aware
23 that -- do you happen to know the percentage of
24 BGS-1 customers who take power supply service

1 from the Company?

2 A. Sorry. Say that again.

3 Q. Let me withdraw the question. I was
4 right the first time.

5 Are you aware that the Commission
6 has -- keeps statistics on the switching of power
7 supply customers at Ameren and ComEd service
8 territories?

9 A. I do not know.

10 MR. KENNEDY: May I approach the
11 witness?

12 JUDGE VON QUALEN: You may.

13 Q. (By Mr. Kennedy) I've handed the
14 witness what has been marked for identification
15 as Ameren Cross Exhibit 10.

16 Mr. Rubin, I represent to you --
17 well, have you had a chance to just review the
18 document?

19 A. I can look at these pages. I've
20 never seen them before. I don't know what they
21 are.

22 Q. Well, I'll represent to you that
23 these are the supply switching statistics -- the
24 power supply switching statistics that the

1 Commission keeps on its website for Ameren Rate
2 Zones I, II, and III.

3 But it's clear from your prior
4 testimony, is it not, that you're not aware of
5 the percentage of customers that take service
6 from an alternative supplier in Ameren service
7 territory -- residential customers -- correct?

8 A. I am not aware of the percentage, and
9 that's why I said in my testimony that I don't
10 think supply charges should have any effect on
11 the setting of distribution charges because you
12 don't know where the customers are getting their
13 supply, you don't know how much they're paying
14 for it. All you know is what the price to
15 compare is. But that seems to be information the
16 Commission might be interested in; so I presented
17 it.

18 But I stay by my initial position
19 which is distribution rates should be set
20 independent of what's happening with supply and
21 transmission charges. Those are completely
22 different -- different charges. Some are -- that
23 are -- the BGS and TS charges are largely outside
24 of the Commission's control.

1 Q. Thank you, Mr. Rubin, but to make
2 clear for the record, you're not aware -- you
3 don't have any knowledge about the percentage of
4 Ameren's residential customers that take service
5 from an alternative supplier; correct?

6 MR. DOSHI: Objection, Your Honor. I
7 think Mr. Rubin answered the question before.

8 MR. KENNEDY: I guess it was
9 difficult for me to know whether he answered the
10 question before because he -- his question -- his
11 answer was quite long.

12 JUDGE VON QUALEN: You may answer the
13 question, Mr. Rubin.

14 A. Thank you, Your Honor.

15 I believe my answer was that I was
16 not familiar with those numbers, and I explained
17 why I did not inquire into those numbers.

18 MR. KENNEDY: I'd like to strike
19 everything after "I'm not familiar with those
20 numbers."

21 MR. DOSHI: That's fine, Your Honor.

22 JUDGE VON QUALEN: Motion granted.
23 Sustained.

24 MR. KENNEDY: The Company will -- at

1 this time will not be moving Ameren Cross Exhibit
2 10 into evidence.

3 Q. (By Mr. Kennedy) Mr. Rubin, do you
4 happen to know how Ameren's price to compare
5 compares to other alternative suppliers that
6 offer fixed prices in Ameren's market?

7 A. I do not, no.

8 MR. KENNEDY: May I approach?

9 JUDGE VON QUALEN: Yes.

10 Q. (By Mr. Kennedy) I've handed what's
11 been marked for identification as Ameren Cross
12 Exhibit 11.

13 Mr. Rubin, I represent to you that
14 this is a printout from the pluginillinois.org
15 website that you visited for other reasons that
16 allows Ameren's residents to compare offers.
17 This happens to be compared offers -- current
18 compared offers for Rate Zone I.

19 Have you had a chance to just review
20 the document that I've handed you?

21 A. I am looking at it. I don't see
22 anything on here that says it's for Rate Zone I.

23 Q. Unfortunately, when I -- when you
24 print it out from the website, it doesn't

1 indicate that, but I will represent to you that,
2 when you go to the website for the page, you're
3 given an option to choose one of three rate
4 zones, and when you choose one of the rate zones,
5 it provides this viewing in Windows.

6 MR. DOSHI: Your Honor, I have a
7 question. The URL at the top of Cross Exhibit
8 11 -- is that the full URL or was it cut off?

9 MR. KENNEDY: That's the URL that is
10 shown when I printed it out. It is a --

11 MR. DOSHI: Do you know if that's the
12 full actual URL?

13 MR. KENNEDY: The way the website
14 functions is that a window opens inside a window.
15 So the URL for that page remains the same, and
16 then even after you pick the correct rate zone,
17 it doesn't change because the window inside the
18 website changes. That's my lawyer definition of
19 what's going on.

20 MR. DOSHI: All right. Thank you.

21 Q. (By Mr. Kennedy) With my
22 representation that it's Rate Zone I offers --
23 price-to-compare offers, Mr. Rubin, I'm going to
24 guess you probably haven't seen this document

1 before.

2 A. I have not seen this before. I have
3 seen documents like this many times before.

4 Q. Have you ever gone to the website
5 Plug In Illinois and look at compare offers for
6 Ameren Illinois?

7 A. No.

8 Q. In looking at the various prices that
9 are offered that are fixed prices, is it fair to
10 say that Ameren has the lowest fixed price of the
11 suppliers that are listed?

12 A. From my quick review, that appears to
13 be the case, yes.

14 MR. KENNEDY: Your Honor, I'm not
15 going to try to move this into evidence through
16 Mr. Rubin, but for Ameren Cross Exhibit 10 and
17 Ameren Cross Exhibit 11, I'd like the Commission
18 to take administrative notice of both as the
19 statistics that the Plug In Illinois website
20 maintains on the website as publicly available
21 information and move them into evidence in that
22 manner.

23 MR. DOSHI: No objection, Your Honor.

24 JUDGE VON QUALLEN: Ameren Cross

1 Exhibit 10 and Cross Exhibit 11 -- the Commission
2 will take judicial notice of them.

3 Q. (By Mr. Kennedy) Mr. Rubin, it's
4 fair to say that your -- the total bill analysis
5 that you prepared in your rebuttal testimony
6 looking at changes in the total bill from January
7 2014 to January 2015 would not take into account
8 changes in power supply prices for customers who
9 did not take BGS service from the Company;
10 correct?

11 A. Correct. It also does not consider
12 what those non-BGS customers are paying under
13 their current contracts which may be six months
14 or a year old.

15 Q. One way or the other, the non-BGS
16 customers are not considered in your total --

17 A. Correct.

18 Q. Are you aware that BGS pricing
19 will -- for Ameren will reset in June of 2015?

20 A. Yes. I believe the prices change
21 every June and October.

22 Q. So, for instance, the summer price
23 for BGS will change effective June 1st, and the
24 non-summer price for BGS will change effective

1 October 1st; correct?

2 A. That's my understanding, yes.

3 Q. Is your understanding that also the
4 TS -- the transmission prices reset under the
5 same calendar year, resetting in June of 2015
6 and -- for summer and October of 2015 for
7 non-summer?

8 A. I have not looked at how the TS
9 pricing is set. I'm familiar with the BGS
10 pricing process, and I have obviously looked at
11 the price to compare, but I haven't -- I have not
12 looked at the TS pricing separately.

13 Q. And your total bill analysis that you
14 prepared for your rebuttal testimony would not
15 factor in changes to the BGS and TS prices that
16 occur in June of 2015?

17 A. Correct. That is not known yet.

18 MR. KENNEDY: May I approach the
19 witness, Your Honor?

20 JUDGE VON QUALEN: Yes.

21 Q. (By Mr. Kennedy) I've handed Mr.
22 Rubin what's been marked for identification as
23 Ameren Cross Exhibit 12. It is a data response
24 that he prepared June 24th of this year. It is

1 AIC-AG 5.25.

2 Mr. Rubin, have you had a chance to
3 review that document?

4 A. Yes.

5 Q. And do you recognize this as a
6 response that you prepared?

7 A. Yes. And I should just say that in
8 preparing it I assumed that the question about
9 2015 was asking about June 2015 going forward
10 since we know the prices that will be in effect
11 for the first five months of 2015.

12 Q. As the lawyer you are, you
13 anticipated my next question. I thank you for
14 that response.

15 As you sit here today, is it your
16 opinion that prices -- BGS prices for Ameren
17 could increase or could decrease?

18 A. I have no idea.

19 Q. Do you have a copy of Mr. Jones'
20 testimony in front of you? If not, I can provide
21 you a copy.

22 A. I do not, no.

23 MR. KENNEDY: May I approach?

24 JUDGE VON QUALLEN: Yes.

1 Q. (By Mr. Kennedy) Mr. Rubin, did you
2 review the rebuttal testimony of Mr. Jones?

3 A. Yes, I did.

4 Q. I want to direct you to the Q&A that
5 begins at line 382 and goes through 398. If you
6 could take a second to review that or as many
7 seconds as you need.

8 A. Yes. I have reread that.

9 Q. At the end of that Q&A, lines 397 and
10 398, it's correct that Mr. Jones offers the
11 opinion that BGS prices are likely to increase in
12 June 2015; is that correct?

13 A. He says that, yes.

14 Q. Are you familiar with any of the
15 transmission investment that the entity Ameren --
16 ATXI, which stands for Ameren -- Ameren
17 Transmission Company of Illinois?

18 A. No, I am not.

19 Q. Are you familiar with -- so you would
20 not be familiar with a transmission project that
21 is known around these parts as Illinois Rivers?

22 A. No, I am not.

23 Q. As an expert witness, if I was to ask
24 you hypothetically, if a -- if a utility was

1 going to invest a billion dollars into its
2 transmission rate base, would you expect
3 transmission rates for that utility to increase?
4 All things being equal.

5 A. Well, if -- if you're telling me
6 everything else is the same but rate base goes up
7 by a billion dollars, yes, rates would increase.

8 Q. Do you have any opinions about
9 whether DS prices are likely to increase beyond
10 2015 for Ameren Illinois Company?

11 A. It appears that they probably will
12 given the investments that Ameren is supposed to
13 be making under the statute. I know there has
14 been some discussion that Ameren may not be able
15 to, say, efficiently spend that amount of money
16 each year. I don't know where that stands. I
17 just know that there have been some discussions
18 of that nature. But it certainly appears that
19 Ameren's rate base will continue to increase.
20 Whether that results in increases in distribution
21 rates depends on the other factors that go into
22 the equation.

23 Q. But assuming -- you understand that
24 the investments that Ameren Illinois is required

1 to make under the EIMA program are supposed to be
2 incremental to the capital investment that --
3 based on a calculation of average capital
4 spend -- average historical capital spend. Is
5 that your understanding of those spending
6 requirements?

7 A. Yes. I'm not intimately familiar
8 with those requirements. I have read the
9 statute, but it's been a while. So I am aware
10 that Ameren is required to make some significant
11 capital investments. I'm also aware that those
12 investments are supposed to result in enhanced
13 efficiency, and it's how those two play off
14 against each other that will determine whether
15 rates go up or go down.

16 Q. But as with the prior example,
17 assuming a flat -- assuming all things are
18 equal -- for instance, operating expense doesn't
19 go down -- with the increased rate base, you
20 would expect DS rates in 2016 to go up?

21 A. Under that assumption, that would be
22 correct. I don't know if that's a reasonable
23 assumption.

24 Q. But as I posed it to you, with that

1 assumption, you would agree with that statement?

2 A. Yes. Under your hypothetical, if the
3 only thing that changes is investment and rate
4 base goes up, then rates would go up.

5 Q. As DS rates go up -- assuming DS
6 rates goes up in 2016, you would agree that,
7 under your rate design, high-use residential
8 customers would pay a larger portion of the DS-1
9 increase in 2016 than under Ameren's proposed
10 rate design, assuming there was such an increase.

11 A. I don't know that for certain. I
12 think that would be true, but if -- you know, if
13 we're still using your hypothetical where the
14 only thing that has changed is increased rate
15 base, if that increased rate base is being made
16 in, for example, meters, well, metering costs
17 under the cost-of-service study and under my
18 methodology would go into the customer charge.
19 They would not go into the volumetric
20 per-kilowatt-hour charge.

21 Again, my understanding is that, when
22 you file your annual increases in revenue
23 requirement, that they -- it effectively requires
24 rerunning the cost-of-service study but changing

1 only the inputs to the study, not changing any of
2 the allocations. And if metering investment
3 increases by a greater percentage than
4 non-metering investment, then the customer charge
5 would increase by a greater percentage than the
6 distribution charge.

7 So I -- when I said it depends, I
8 really mean it depends on what you're investing
9 in.

10 Q. But the reversal would be true, would
11 it not? That if the non-metering investment
12 exceeded the incremental -- if the incremental
13 non-metering investment exceeded the incremental
14 metering investment, then, under your rate
15 design -- all other things being equal --
16 high-use DS-1 customers would see a larger --
17 would pay for a larger portion of those costs
18 than under Ameren's proposal?

19 A. Absolutely. As they should.

20 Q. And do you agree, Mr. Rubin, that,
21 under your rate design, that the more that a
22 resident customer uses, the higher its delivery
23 bill will be under your proposal versus under
24 Ameren's proposal?

1 A. That's correct.

2 Q. And so if a customer is -- if a
3 space-heat customer, say, in January 2015
4 experiences a severe winter weather event in that
5 month and your proposal was adopted, that
6 customer would end up paying a higher bill under
7 your proposal than under Ameren's proposal,
8 assuming that the usage for that customer went up
9 to respond to the severe winter weather.

10 MR. DOSHI: Your Honor, I'd ask
11 Mr. Kennedy to clarify if he's referring to total
12 distribution bill or total bill.

13 MR. KENNEDY: Let me -- I'll withdraw
14 the question. Let me try again.

15 Q. (By Mr. Kennedy) Assuming that in
16 January 2015 an electric space-heat customer
17 was faced with a severe winter -- above or
18 abnormal -- above average bad winter, that
19 customer would pay a higher delivery bill under
20 your proposal than Ameren's proposal, assuming
21 that the usage for that customer went up in that
22 particular January as opposed to an ordinary
23 January.

24 A. I'm sorry. I thought I was following

1 you until you started talking about usage in
2 January as compared to an ordinary January. If a
3 customer -- yeah. So I'm sorry. You kind of
4 lost me there. I don't know if you want to --

5 Q. Let me simplify it.

6 MR. DOSHI: Your Honor, could I ask
7 Mr. Kennedy to clarify one more thing? Is
8 January 2014 to be treated as ordinary or unusual
9 in this analysis?

10 Q. (By Mr. Kennedy) Let me ask -- let
11 me simplify the question to make it easier.

12 If a customer uses more to respond to
13 bad weather in a particular month than he did the
14 month before, he's going to pay more under your
15 proposal than Ameren's proposal; correct?

16 A. Yes. Assuming the customer is able
17 to use electricity during the storm, they will
18 pay more.

19 MR. DOSHI: Your Honor, when
20 Mr. Kennedy asks whether the customer will pay
21 more, is that referring to the incremental
22 increase due to this abnormal usage or is that
23 just comparing distribution bill this month
24 versus distribution bill last month?

1 MR. KENNEDY: I don't think there's a
2 question posed at the moment, Mr. Doshi.

3 MR. DOSHI: I was asking to clarify
4 the previous question.

5 MR. KENNEDY: And I'm going to choose
6 not to clarify the previous question.

7 JUDGE VON QUALEN: All right, then.

8 Q. (By Mr. Kennedy) Mr. Rubin, would
9 you please look at your corrected rebuttal --

10 A. Yeah.

11 Q. -- lines 88, 89.

12 A. Yes, I have it.

13 Q. And take a second to read that Q&A if
14 you -- if you need time. Or if you're familiar
15 with that, I can ask the question.

16 A. I'm fine. You can go ahead.

17 Q. In this Q&A you're referring to the
18 60,000-kilowatt-per-year profile that Mr. Jones
19 has done for his bill impacts; correct?

20 A. Kilowatt hours per year, yes.

21 Q. And you say that that quote is not a
22 meaningful comparison; correct?

23 A. Yes.

24 Q. And your first criticism is that

1 Mr. Jones fails to identify the number of
2 customers he's talking about; correct?

3 A. Yes.

4 Q. Did you review Mr. Jones' direct
5 testimony?

6 A. His direct on rehearing?

7 Q. His direct on rehearing.

8 A. Yes, I did.

9 Q. And did you review his exhibits --
10 direct exhibits?

11 A. Yes.

12 Q. I believe you don't have a copy in
13 front of you, though; correct?

14 A. I do not.

15 MR. KENNEDY: May I approach the
16 witness?

17 JUDGE VON QUALEN: Yes.

18 Q. (By Mr. Kennedy) I'm handing the
19 witness Ameren Exhibit 2.8 H -- Rehearing -- 2.8
20 RH.

21 Mr. Rubin, in reading your rebuttal,
22 I did not see a reference to this exhibit. But
23 do you recall reviewing this exhibit at the time?

24 A. I would have reviewed this exhibit at

1 the time, yes.

2 Q. In looking at this exhibit, do you
3 agree with me that it's a total count of
4 customers by kilowatt hour annual increments of
5 5,000 increments?

6 A. Yes.

7 MR. KENNEDY: May I approach the
8 witness again?

9 JUDGE VON QUALEN: Yes.

10 Q. (By Mr. Kennedy) I'm handing Mr.
11 Rubin what's already in the record -- well,
12 not record -- already been marked as Ameren
13 Exhibit 2. RH. This is the page from the direct
14 testimony of Mr. Leonard Jones. It's 2. RH
15 Second Revised, page 25 of 40.

16 Mr. Rubin, have you had a chance to
17 review the graph that's at the top of that page?

18 A. Yes.

19 Q. Do you recall reviewing this at the
20 time you were preparing your rebuttal testimony?

21 A. Yes.

22 Q. This is a graph that purports to show
23 the percentage of LIHEAP -- which are Low
24 Income -- Low Income Home Energy Assistance

1 Program -- customers versus non-LIHEAP,
2 L-I-H-E-A-P; is that correct?

3 A. Yes.

4 Q. Does that graph indicate that there
5 are LIHEAP customers at usages above 20,000
6 kilowatt hours per year?

7 A. Yes.

8 Q. Referring back to Ameren Exhibit
9 2. H -- RH that I showed you, this exhibit
10 could be used to determine what residential
11 customers -- well, the number of residential
12 customers that had annual usage above 20,000
13 kilowatt hours per year?

14 A. Yes, it could.

15 Q. And could also be used to determine
16 what the total -- the number of customers that
17 Ameren registered as having a usage of above 60
18 kilowatt hours per year?

19 A. I assume you mean above 60,000?

20 Q. 60,000, correct. Thank you.

21 A. Yes.

22 Q. Could I refer you to lines 86 and 87
23 of your rebuttal.

24 A. Yes. I'm there.

1 Q. You're talking about total bill
2 basis, correct, in those -- in that Q&A? Your
3 total -- in that Q&A, you're talking about the
4 total bill analysis that you did for your
5 rebuttal comparing January 2014 to January 2015;
6 correct?

7 A. Well, the Q&A is broader than that.
8 The two lines you referred me to are referring to
9 the analysis I did, yes.

10 Q. And the -- so it's clear, the total
11 bill analysis that you performed for rehearing in
12 this docket just looked at the change in total
13 bill from 2014 to 2015; correct? January 2014 to
14 January 2015.

15 A. Well, I -- no. In my direct
16 testimony on rehearing, I looked at -- I did an
17 analysis for January and an analysis for August
18 and then an analysis on an annual basis.

19 Q. Thank you for that clarification, but
20 in each of those instances, it was 2014 versus
21 2015 as the time period?

22 A. Yes. I also did comparisons that
23 went back to 2007.

24 Q. But on a total bill basis, you did

1 not do any comparisons beyond 2014 and 2015.
2 Those other years prior to 2014 would have been a
3 delivery bill impact basis?

4 A. I believe that's correct, yes.

5 Q. So you don't have -- in your
6 testimony, you don't have a chart that shows
7 total bill changes from 2008 to 2015?

8 A. I do not, no.

9 Q. On lines 38 to 39 of your rebuttal --
10 if you could look at that, please.

11 A. Yes.

12 Q. You're talking about -- you say there
13 that "...Ameren's rate design places an
14 extraordinarily heavy burden on lower-use
15 customers"; correct?

16 A. Yes.

17 Q. Do you happen to have a copy of your
18 direct testimony in front of you as well --
19 direct on rehearing?

20 A. Yes.

21 Q. Could I refer you to lines 293 to
22 294.

23 A. Yes. I have that.

24 Q. There you say that Ameren's rate

1 design has created and will continue to create a,
2 quote, "tremendous disparity among residential
3 customers with impacts ranging from total bills
4 being reduced to bills more than doubling";
5 correct?

6 A. Yes.

7 Q. Now, as we just discussed moments
8 ago, you don't have any total bill analysis that
9 goes back prior to 2014; correct?

10 A. Correct.

11 MR. KENNEDY: May I approach the
12 witness, Your Honor?

13 JUDGE VON QUALEN: You may.

14 Q. (By Mr. Kennedy) I'm handing Mr.
15 Rubin another portion of Mr. Jones' -- this is
16 his rebuttal testimony, Ameren Exhibit 4.0
17 Rehearing, page 21 of 32.

18 Mr. Rubin, do you recall -- I know I
19 just handed you an excerpt, but do you recall
20 this -- seeing this graph when you reviewed Mr.
21 Jones' rebuttal?

22 A. Yes.

23 Q. Now, this graph shows that, for
24 smaller-use customers, their power supply prices

1 have decreased from 2008 to 2014; correct?

2 A. Well, what --

3 Q. For Rate Zone III.

4 A. Yes. I'm reading what's on the
5 graph, and it says "Rate Zone III annual average
6 power supply price for various usage profiles
7 over time." And I honestly don't know what
8 that's supposed to mean.

9 From the numbers that are here for
10 June 2014, which is showing as less than \$.04 per
11 kilowatt hour, to me that looks like a BGS price,
12 and it's not a total bill price. So if that's
13 what's meant by "power supply," then that's fine.
14 If this is meant to represent the total cost per
15 kilowatt hour that a customer is paying, then the
16 graph is not accurate.

17 Q. No. I'll represent to you that the
18 power supply prices are the BGS prices that the
19 customers were paying, and it is not intended to
20 be a graph of what the total bill impact would be
21 for those customers during that period, but just
22 a graph of what the change in supply prices were
23 for those customers during that time period.

24 A. Okay. If that's the case -- see,

1 that's -- when I saw this originally and again
2 today, it confused me a little because the power
3 supply price, the BGS price, would not vary with
4 usage level except for space-heating customers
5 where there's a two-block rate -- or there has
6 been a two-block rate for at least some of this
7 time period. So I -- you know, as I said, I was
8 just a little confused about what this was trying
9 to display.

10 Q. Has my explanation alleviated that
11 confusion?

12 A. Well, a little. But, you know, for
13 example, there should be no difference between a
14 5,000 -- customer using 5,000 kilowatt hours per
15 year non-space heating and a customer using
16 10,000 kilowatt hours per year non-space heating
17 if all we're looking at is the BGS price.

18 Q. But you don't have any facts at
19 your -- in your knowledge to dispute the graph
20 that Mr. Jones has put together?

21 A. Well, I just explained why I have
22 questions about it. I don't know what data he
23 relied on or how -- or, you know, why he would
24 believe that there's a difference in the BGS

1 price for a non-space-heat customer using 5,000
2 kilowatt hours and one using 10,000 kilowatt
3 hours. I don't know. It wasn't particularly
4 relevant to me. So we didn't pursue it in
5 discovery, but now you're asking me about it, and
6 I'm, frankly, not sure what this is supposed to
7 represent.

8 Q. Well, I'll trust that my esteemed
9 co-counsel -- not co-counsel, but esteemed
10 counsel, Mr. Doshi, will give Mr. Jones every
11 opportunity to explain that graph during his
12 cross-examination.

13 Could I refer you to your rebuttal to
14 Ms. Harden at line 222.

15 A. I'm sorry. We're in my rebuttal
16 testimony?

17 Q. Yes, rebuttal.

18 A. Yes.

19 Q. You talk here about the
20 characteristic of what Ms. Harden -- of what you
21 identify as, quote, "ultra-high users"; correct?

22 A. Yes.

23 MR. KENNEDY: May I approach the
24 witness?

1 JUDGE VON QUALEN: You may.

2 MR. KENNEDY: I believe I'm up to 13.
3 Ameren Cross Exhibit 13.

4 And I'm going to try to wrap this up
5 as quickly as I can, Your Honor.

6 Q. (By Mr. Kennedy) What I've handed
7 the witness is Ameren Cross Exhibit 13. It's a
8 data request dated June 24, 2014, entitled AIC-AG
9 5.07.

10 Mr. Rubin, have you had a chance to
11 review that data request?

12 A. Yes.

13 Q. And you recall this is a data request
14 that you prepared?

15 A. Yes.

16 MR. KENNEDY: I'd like to move Ameren
17 Cross Exhibit 13 into evidence.

18 MR. DOSHI: No objection, Your Honor.

19 JUDGE VON QUALEN: Ameren Cross
20 Exhibit 13 is entered into evidence.

21 Q. (By Mr. Kennedy) Now, you say, at
22 lines 230 to 231, that you have no idea what
23 these customers are or how they're using their
24 electricity; correct?

1 A. Referring back to those very high
2 users, yeah, that's correct.

3 Q. And in your testimony, you're not
4 alleging that any of the meters were
5 malfunctioning for these particular users;
6 correct?

7 A. I'm not alleging anything. I have no
8 idea how a residential customer can use a million
9 kilowatt hours per year.

10 Q. I'd like to switch -- to go back to
11 the beginning of your rebuttal, line 35.

12 A. Yes.

13 Q. You refer to your design as, quote,
14 "the cost-based design"; correct?

15 A. Correct.

16 Q. And in lines 24 to 25, you suggest
17 that the use of the straight fixed variable
18 design has, quote, "the effect of significantly
19 overcharging low-use customers so they can
20 provide a subsidy to high-use customers";
21 correct?

22 A. You quoted that correctly, yeah.

23 Q. The basis for that is your belief
24 that only what you call -- or what we'll refer to

1 as, quote, "customer-related costs" -- those
2 should be the costs that should be collected only
3 through the fixed charges on the delivery bill?

4 A. Yes. And that demand-related costs
5 should be recovered through the per-kilowatt-hour
6 charge.

7 Q. And in line 23, you mention a less
8 than 30 percent figure. That's referring to the
9 customer-related costs?

10 A. Yes. That sentence starts on line 22
11 where it says "Ameren's customer-related costs."

12 Q. And the less than 30 percent is
13 roughly, for purposes of this proceeding, 28 --
14 28 percent?

15 A. Correct.

16 MR. KENNEDY: I'd like to approach,
17 for the last time, the witness, Your Honor.

18 JUDGE VON QUALEN: You may.

19 Q. (By Mr. Kennedy) I've handed the
20 witness what's been marked as Ameren Cross
21 Exhibit 14. It's a response dated December 10,
22 2013, prepared in this -- for purposes of this
23 proceeding.

24 Mr. Rubin, have you had a chance to

1 review that response?

2 A. Yes.

3 Q. And you recognize that as a response
4 you prepared?

5 A. Yes.

6 MR. KENNEDY: I'd like to move Ameren
7 Cross Exhibit 14 into evidence.

8 MR. DOSHI: No objection, Your Honor.

9 JUDGE VON QUALEN: Ameren Cross
10 Exhibit 14 is entered into evidence.

11 MR. KENNEDY: I'm going to apologize,
12 Your Honor. There's one more exhibit I want to
13 show Mr. Rubin.

14 A. You just couldn't stay away.

15 MR. KENNEDY: I couldn't. I wanted
16 to get to 15.

17 Ameren Cross Exhibit 15, if I may
18 approach for what indeed will be the final time.

19 JUDGE VON QUALEN: You may.

20 MR. KENNEDY: I did keep my promise
21 that there was going to be some paper today.

22 JUDGE VON QUALEN: You did.

23 Q. (By Mr. Kennedy) I've handed the
24 witness what's been marked for identification as

1 Ameren Cross Exhibit 15. It is a data response
2 that he prepared -- Mr. Rubin prepared December
3 10, 2013, in this proceeding. It is entitled
4 AIC-AG 4.2. It references a prior response
5 that's also attached, AIC-AG 3.110. That prior
6 response was prepared December 6, 2013. It is a
7 three-page document.

8 Have you had a chance to review that,
9 Mr. Rubin?

10 A. Briefly, yes.

11 Q. Do you recognize this as a response
12 that you prepared?

13 A. As two responses, yes.

14 Q. Now, in the initial response, AIC-AG
15 4.2, you talk about the sizing of substations,
16 transformers, distribution lines; correct? You
17 mention that?

18 A. 4.12, yes. That's right.

19 Q. Now, you're not a design planner for
20 a utility; correct?

21 A. I am not.

22 Q. And you're not an electrical
23 engineer?

24 A. No.

1 Q. And you don't know the details of the
2 design of AIC's distribution network?

3 A. Correct.

4 Q. I'd like to talk -- like, the last
5 three minutes here, and I'll be done -- to give
6 you a hypothetical, if I may. Assume that we're
7 in a subdivision -- a housing subdivision -- a
8 residential subdivision. We're on a street.
9 Let's call it Oak Street. And on Oak Street
10 there's three houses in a row all the same
11 size -- approximately the same size, built
12 approximately the same time.

13 These three houses were all
14 originally gas-heat customers, and all three of
15 the houses are residential and were residential
16 before.

17 Are you with me so far?

18 A. Yes.

19 Q. For these three houses, the middle
20 house converts to electric space heat. Now,
21 assume no changes in -- occur in the primary and
22 secondary distribution network that services
23 those three houses. No poles are changed. No
24 transformers are changed. No conductors are

1 changed out. No additional substations are built
2 to service -- to service the demand of that
3 electric space-heat customer.

4 You would agree with me that, under
5 your rate design, that that converted electric
6 space-heat customer will pay more under your rate
7 design than under Mr. Jones' and the Company's
8 rate design; correct?

9 A. Yes.

10 MR. KENNEDY: That's all I have, Your
11 Honor.

12 JUDGE VON QUALEN: Mr. Doshi.

13 MR. DOSHI: Your Honor, could I
14 confer with Mr. Rubin for 60 seconds?

15 JUDGE VON QUALEN: You may.

16 MR. DOSHI: Thank you.

17 (Off the record.)

18 MR. KENNEDY: Your Honor --

19 JUDGE VON QUALEN: Back on the
20 record.

21 MR. KENNEDY: Your Honor, I
22 apologize. The Company forgot to move into
23 evidence Ameren Cross Exhibits 12 and 15, and so
24 we'd like to do that now, if we may.

1 MR. DOSHI: People have no objection,
2 Your Honor.

3 JUDGE VON QUALEN: Ameren Cross
4 Exhibits 12 and 15 are entered into evidence.

5 MR. DOSHI: Your Honor, we have no
6 redirect for Mr. Rubin.

7 JUDGE VON QUALEN: Thank you, Mr.
8 Rubin.

9 MR. RUBIN: Thank you, Your Honor,
10 and I appreciate the accommodation of taking me a
11 little out of order.

12 JUDGE VON QUALEN: No problem.

13 MR. DOSHI: Your Honor, at this time
14 we would like to move for the admission of the
15 direct testimony on rehearing and rebuttal
16 testimony on rehearing of Mr. Rubin as previously
17 outlined.

18 JUDGE VON QUALEN: Are there any
19 objections?

20 MR. KENNEDY: No objections, Your
21 Honor.

22 JUDGE VON QUALEN: AG Exhibit 3.0
23 with attached Exhibits 3.01 through 3.08, AG
24 Exhibit 4.0 C, and AG Exhibits 4.1 and 4.2 all of

1 Mr. Rubin are entered into evidence.

2 MR. DOSHI: Thank you, Your Honor.

3 JUDGE VON QUALEN: Let's go off the
4 record.

5 (Discussion off the record.)

6 JUDGE VON QUALEN: Let's go back on
7 the record.

8 All right, then. We will now take a
9 recess for lunch, and we will run at 1:30.

10 (Lunch recess.)

11 JUDGE VON QUALEN: Back on the
12 record.

13 Mr. Kennedy.

14 MR. KENNEDY: Yes, Your Honor.

15 JUDGE VON QUALEN: Are you ready to
16 call your next witness?

17 MR. KENNEDY: Yes. Like to call
18 Mr. Leonard Jones to the stand.

19 JUDGE VON QUALEN: Mr. Jones, you
20 were previously sworn?

21 MR. JONES: Yes.

22 DIRECT EXAMINATION

23 QUESTIONS BY MR. KENNEDY:

24 Q. Mr. Jones, do you have in front of

1 you what's been previously marked as Ameren
2 Exhibit 2.0 RH Second Revised?

3 A. I do.

4 Q. The Second Revised Direct Testimony
5 on Rehearing of Leonard M. Jones, filed July 1,
6 2014?

7 A. Yes.

8 Q. Do you also have along with that the
9 following -- the following exhibits that were
10 attached to your direct exhibit, and I will read
11 the entire list and then at the end you can say
12 "Yes."

13 Ameren Exhibit 2.1 RH Corrected,
14 filed July 1, 2014; Ameren Exhibits 2.2 RH
15 through 2.6 RH, filed on June 10, 2014; Ameren
16 Exhibit 2.7 RH Second Corrected, filed July 1,
17 2014; Ameren Exhibit 2.8 RH, filed June 10, 2014;
18 Ameren Exhibit 2.9 RH Corrected, filed June 12,
19 2014; Ameren Exhibit 2.10 RH, filed June 10,
20 2014; and Ameren Exhibits 2.11 RH Corrected
21 through 2.2 -- 12 -- .12 RH Corrected, filed June
22 12, 2014.

23 A. Yes.

24 Q. And are those exhibits that I just

1 went through -- compiled do they represent your
2 direct testimony that you filed on rehearing in
3 this docket?

4 A. They do.

5 Q. And those exhibits and testimony were
6 prepared by you and prepared under your
7 direction?

8 A. Yes.

9 Q. And the answers and information
10 included therein is true and accurate to the best
11 of your knowledge?

12 A. Yes.

13 Q. And if I you asked you the same
14 questions that were posed in your Direct
15 Testimony on Rehearing today, you would provide
16 the same responses?

17 A. I would.

18 Q. And do you have any corrections --
19 any additional corrections at this time to your
20 Direct Testimony on Rehearing?

21 A. No.

22 Q. Do you also have in front of you
23 what's previously been marked for identification
24 as Ameren Exhibit 4. RH, the Rebuttal Testimony

1 on Rehearing of Leonard M. Jones, filed July 3,
2 2014?

3 A. I do.

4 Q. And along with that do you have
5 supporting exhibits to your rebuttal on
6 rehearing, Ameren Exhibits 4.1 RH through 4.5
7 RH, filed July 3, 2014?

8 A. Yes.

9 Q. And do those exhibits, as I just
10 identified them, constitute the rebuttal
11 testimony that you filed on rehearing in this
12 proceeding?

13 A. Yes.

14 Q. And the exhibits and testimony that I
15 just identified as your rebuttal were prepared by
16 you and prepared under your direction?

17 A. Yes.

18 Q. And the answers and information
19 provided therein is true and accurate to the best
20 of your knowledge?

21 A. Yes.

22 Q. And if I were to pose the same
23 questions today to you, you would provide the
24 same responses that are listed therein?

1 A. Yes.

2 Q. And do you have any corrections to
3 your rebuttal testimony?

4 A. I do not.

5 MR. KENNEDY: Your Honor, subject to
6 the cross-examination of Mr. Jones, I tender
7 him -- tender him for cross-examination and move
8 for his exhibits to be moved into evidence.

9 JUDGE VON QUALEN: All right. I'll
10 rule on your motion after cross-examination.

11 Mr. Doshi.

12 MR. DOSHI: Thank you, Your Honor.

13 Yes. The People have some questions
14 for Mr. Jones.

15 CROSS-EXAMINATION

16 QUESTIONS BY MR. DOSHI:

17 Q. Good afternoon, Mr. Jones.

18 A. Good afternoon.

19 Q. I'm going to ask you, as you expect,
20 some questions about your second revised direct
21 testimony on rehearing and your rebuttal
22 testimony on rehearing.

23 I'd like to start with, on your
24 second revised direct testimony, Exhibit --

1 Ameren Exhibit 2.0 RH Second Revision, page 4.
2 At line 91, you state that "On April 17, 2014,
3 AIC filed its annual update to the cost inputs
4 for rate MAP-P. The Commission has docketed that
5 filing as Docket No. 14-0317."

6 Do you see that?

7 A. I do.

8 MR. DOSHI: Now, Your Honor, may I
9 approach the witness, please?

10 JUDGE VON QUALEN: You may.

11 MR. DOSHI: Thank you.

12 Your Honor, I'm handing Mr. Jones
13 what we'll call AG Cross Exhibit 1.

14 Q. (By Mr. Doshi) Mr. Jones are you
15 familiar with this document?

16 A. Looks like an exhibit out of
17 Mr. Stafford's testimony in the formula rate
18 update case.

19 Q. Yes. And although it -- I don't
20 think it states the docket number, would you
21 believe me, subject to check, if I state that
22 this is from this year's formula rate update
23 Docket 14-0317?

24 A. Yes. The total numbers are

1 consistent with that docket.

2 Q. All right. Thank you.

3 Can you please look at -- at line 22,
4 where it says the filing year revenue requirement
5 is -- and these are -- these numbers are in
6 thousands so that would be approximately \$855.6
7 million.

8 Do you see that?

9 A. I do.

10 Q. And do you see in the next line, line
11 23, the prior year's filing year revenue
12 requirement was approximately \$787 million?

13 A. Yes, I see that.

14 Q. So would you agree, subject to check,
15 that Ameren's proposed increase in its revenue
16 requirement is approximately, if my math doesn't
17 fail me, \$68 million?

18 MR. KENNEDY: I'm going to object at
19 this time on the basis that this is a document
20 that was prepared by Mr. Stafford and sponsored
21 by Mr. Stafford in a different proceeding. It
22 hasn't been established that Mr. Jones, who is
23 not the revenue requirement witness in that
24 proceeding, has a basis or an understanding or

1 knowledge of how this document was prepared and
2 the numbers that are contained therein.

3 MR. DOSHI: Your Honor, I have a
4 couple -- maybe three responses: One is that
5 Mr. Jones addressed this docket at page 4 of his
6 direct testimony as I -- as I cited earlier. My
7 next response is that I'm just asking Mr. Jones
8 to check some quick math; and, finally,
9 relatedly, Mr. Nelson, in his direct testimony in
10 his cross-examine responses earlier on behalf of
11 the Company, suggested that members of the public
12 can review this filing to understand Ameren's
13 rate increases.

14 So I don't think it's unreasonable to
15 ask Mr. Jones to answer some pertinent questions
16 about this page.

17 JUDGE VON QUALEN: The objection is
18 overruled.

19 Mr. Jones can answer to the extent he
20 knows.

21 A. I believe the question was referring
22 to the \$68 million?

23 Q. (By Mr. Doshi) Yes.

24 A. Correct? And just looking at the

1 exhibit, I see that it says line 22 minus line 23
2 is that result.

3 Q. So would you agree that there's a
4 request for an increase in revenue requirement,
5 before considering the reconciliation
6 adjustments, of \$68 million?

7 A. Yes.

8 Q. All right. Thank you.

9 And looking at line 28 of this sheet,
10 do you see where it states that the
11 reconciliation of the prior year with interest
12 adds approximately \$70.4 million -- or \$70.5
13 million to the net revenue requirement?

14 A. I see that, yes.

15 Q. Okay. Thank you.

16 And are you aware that in Docket No.
17 13-0301 it was determined that the rates in
18 effect for 2012 -- or rather the authorized rates
19 in effect for 2012 were greater than the actual
20 revenue requirement for 2012 by -- I believe it
21 was -- and you can correct me -- \$54 million?

22 MR. KENNEDY: I'm going to object on
23 the same basis as before. I mean, he's not --
24 not a revenue requirement witness in that docket

1 nor is he a revenue requirement witness in this
2 docket. I mean, if he knows, and he doesn't have
3 to speculate but --

4 MR. DOSHI: Your Honor, sure. If
5 Mr. Jones knows, he could answer. If he doesn't
6 know, he could state then.

7 JUDGE VON QUALEN: Then we're all in
8 agreement.

9 Mr. Jones, you may answer if you know
10 the answer to the question.

11 A. I don't know the specifics of the
12 numbers in the 13-301 docket.

13 Q. (By Mr. Doshi) Are you aware that in
14 13 -- Docket 13-0301 it was determined that the
15 authorized revenue requirement for 2012 was too
16 high relative to actual costs for 2012?

17 A. I know that we implemented an overall
18 revenue requirement reduction as a result of
19 that -- that proceeding. That's about the extent
20 of my knowledge on that.

21 Q. Okay. Thank you.

22 And then on line 28 of this page, do
23 you see that -- oh, I asked you about that
24 before; right?

1 A. Yes.

2 Q. Sorry. I withdraw the question.

3 And then on lines 30, 31, and 32, do
4 you see that Ameren's proposed net revenue
5 requirement in Docket 14-0317 is approximately
6 \$926.5 million, which, according to line 32, is
7 206.4 million greater than the previous year's
8 net revenue requirement?

9 A. I see those numbers, yes.

10 Q. Okay. Thank you.

11 And I'm going to do a quick
12 calculation on my smart phone here. Subject to
13 check, would you agree that the proposed increase
14 in net revenue requirement is approximately 22.2
15 percent?

16 MR. KENNEDY: I mean, I object. I'm
17 not sure when Mr. Jones is going to come back and
18 check that calculation. If he has a calculator,
19 he can do it, but I don't think he has it with
20 him.

21 Q. (By Mr. Doshi) Maybe I can rephrase.
22 Does 22.2 percent sound like approximately the
23 percentage increase in Ameren's proposed net
24 revenue requirement in Docket 14-0317?

1 A. By using the numbers on this exhibit,
2 I don't have a reason to doubt your math on your
3 smart phone.

4 Q. All right. Thank you, Mr. Jones.

5 Your Honor, at this time I would move
6 for the admission of AG Cross Exhibit 1.

7 JUDGE VON QUALEN: Are there any
8 objections?

9 MR. KENNEDY: No, there's no
10 objections.

11 JUDGE VON QUALEN: AG Cross Exhibit 1
12 is entered into evidence.

13 MR. DOSHI: Thank you, Your Honor.

14 Q. (By Mr. Doshi) I'd like to turn to
15 page 10 of your direct testimony. At page 207 --
16 sorry -- line 207, you said "There has not been
17 any evidence included in the record that
18 demonstrates that customers will change their
19 usage patterns and somehow conserve more energy
20 and become more energy efficient under the AG's
21 proposal."

22 Do you see that?

23 A. I do.

24 Q. Now, would you agree that the AG's

1 rate design proposal would increase the --
2 increase volumetric rates for distribution
3 service?

4 A. Yes.

5 Q. Would you agree that customers look
6 at volumetric rates when deciding whether they
7 should or should not try to conserve energy?

8 A. No, not necessarily, especially for
9 the residential class. I think that a majority
10 of residential customers look at the total bill
11 that they receive instead of the actual tariff
12 marginal rate. They're not commonly very
13 sophisticated in that regard.

14 Q. So would you agree that if -- if a
15 customer's total bill -- just in dollars, without
16 referring to individual components or charges or
17 rates -- increased, that could give that customer
18 incentive to use less electric?

19 A. Yeah. If the customer's total bill
20 increases, everything else constant, it would
21 tend to put a dampening effect on their usage,
22 and the opposite is also true: If total bills go
23 down, customers would have a tendency to use
24 more.

1 Q. Okay. Thank you.

2 Your Honor, may I approach the

3 witness again?

4 JUDGE VON QUALEN: You may.

5 MR. DOSHI: Your Honor, I'm handing

6 Mr. Jones a copy of a data request response that

7 he sponsored. The numerical heading is AG 4.01

8 RH, and it has five parts, (a) through (e), and

9 attached in this packet are the five responses to

10 questions (a) through (e).

11 Q. (By Mr. Doshi) Mr. Jones, are these

12 the responses you prepared?

13 A. Yes.

14 Q. Thank you.

15 Now, I'd like to refer you to page 23

16 of your direct testimony. On page 23, at line

17 511, you state that "For a Rate Zone III customer

18 using 2,000 kWh in the summer, the AIC delivery

19 service proposed prices would cost the customer

20 \$18.36 more." And then later, at line 514, you

21 say "Under the AG rate design, 2,000 kilowatt

22 hours will cost the customer \$33.69 more." Do

23 you see both of those excerpts?

24 A. I do.

1 Q. Can you turn to your response (b) in
2 this packet of data request responses that I just
3 gave you. Your response (b) was -- in our data
4 request part (b), we asked you to rank all of
5 Ameren residential customers by summer usage,
6 defined as June through September, and for
7 certain usage profiles that you listed later in
8 your testimony, which we'll get to, we asked you
9 for each of those usage profiles to tell us where
10 in the total distribution of Ameren customers
11 does -- do these usages fall.

12 So you see that, according to your
13 answer in part (b), 2,000 kilowatt hours in the
14 summer represents the 93.3 percentile of all
15 Ameren residential customers ranked by summer
16 usage. Do you see that?

17 A. I see that.

18 Q. Would that be a correct statement the
19 way I said it?

20 A. Yes. And just to be clear, the
21 summer usage is 2,000-kilowatt-hour average in
22 each of the summer months -- June, July, August,
23 and September -- whereas the example you referred
24 to in testimony is picking just one month, a peak

1 month in July. So there's a little bit of a
2 difference.

3 Q. Okay. Thank you.

4 Next I'd like to turn to page 25 of
5 your direct testimony. I'd like to look at the
6 chart about LIHEAP customers that Mr. Kennedy
7 encouraged me to discuss earlier today.

8 Is it fair to say that, based on this
9 chart, at low usage levels -- or I should say at
10 lower usage levels -- towards the left side of
11 the chart at usage levels, for example, 0 to
12 5,000 annual kilowatt hours, 5,000 to 10,000
13 annual kilowatt hours -- LIHEAP customers are
14 disproportionately over-represented compared to
15 non-LIHEAP customers just based on that chart?

16 A. There's a separation of a couple
17 percentage points.

18 Q. Okay. Thank you.

19 And so, for example, it looks like,
20 in the 0 to 5,000 block, 0 to 5,000 annual
21 kilowatt hours of usage, if I'm reading the chart
22 right -- and I'm just visually estimating -- 20
23 percent of LIHEAP customers appear in that usage
24 category versus maybe 15 or 16 percent of

1 non-LIHEAP? Would that be a fair reading of the
2 chart?

3 A. The LIHEAP is actually starting below
4 20 percent. Might be closer to 18 or 19.

5 Q. 19, it looks like?

6 A. Perhaps 19.

7 Q. Okay. Thank you.

8 And then in the 5,000 to 10,000
9 annual kilowatt hours usage category, it looks
10 like -- something like 37 1/2 percent of LIHEAP
11 customers appear in that category and maybe 34
12 percent of non-LIHEAP customers appear in that
13 category. Would that be a fair reading of the
14 chart, approximately?

15 A. Looks -- 37 1/2 looks about right.
16 The non-LIHEAP is very, very close to 35.

17 Q. Okay. Thank you.

18 And I won't go through the tedious
19 exercise with you, but would you agree that at
20 the higher usage levels -- or for any given usage
21 level after those first two, it looks like the
22 non-LIHEAP customers are slightly
23 over-represented compared to LIHEAP customers?

24 A. Yeah, and they -- not -- not really.

1 The statistics there are so close that you can
2 hardly distinguish the two.

3 Q. But there is a visual gap, is there
4 not?

5 A. Very, very slight.

6 Q. Okay. Thank you.

7 Next I'd like to look at the bottom
8 of page 25 of your direct testimony where you
9 state -- or the question is "Is there any
10 evidence to suggest that the usage data is
11 inaccurate?"

12 Your answer: "No. I have reviewed
13 the Company's last filed Annual Report of
14 Electric Meter Sample Plan, and the Company is in
15 compliance with 83 Illinois Administrative Code
16 Part 410, subpart (b). All the sample lots
17 passed. In addition, the Company recently
18 conducted a special random sample of 224 meters
19 for residential customers using more than 20,000
20 kWh per year. Again, the sample met the
21 tolerances established through Administrative
22 Code."

23 Do you see that?

24 A. I do.

1 Q. Has the Company -- or let me ask it
2 this way: Did that assessment that you and the
3 Company did of those Company residential meters
4 attempt to assess whether any households
5 currently -- that the Company currently
6 categorized as residential could be
7 miscategorized? They could be commercial or
8 industrial or some other type of electric user?

9 A. No. The reference in testimony is to
10 a meter test only.

11 Q. Okay. Thank you.

12 Now, I have a general question, and
13 we probably should have asked this through a data
14 request, but you may know off the top of your
15 head. And if you don't, that's fine.

16 Do you know what percentage of
17 all Ameren's residential customers are space-heat
18 users -- electric space-heat users?

19 A. I don't have an exact number because
20 not all rate zones and LIHEAP companies had a
21 special space-heat rate in the past. We know
22 from looking at the former Illinois Power area
23 that had a special space-heat rate and also the
24 CIPS -- they had a special space-heat rate --

1 that, based on observations of those two
2 categories, it's around 15 percent of the total
3 customer base.

4 Q. Okay. Thank you

5 Another question we should have asked
6 through a data request. If you know the answer,
7 you can tell us. If not, that's fine.

8 What is the -- among space-heat
9 customers, what is the median annual usage of
10 kilowatt hours?

11 A. I don't know what the median is
12 offhand. I don't have --

13 Q. Do you know the mean?

14 A. I know it's higher than the
15 non-space-heat group. Beyond that, I don't -- I
16 don't have those numbers handy.

17 Q. Okay. Thank you.

18 I'd like to turn to page 29 of your
19 direct testimony. On page 29, you give a
20 hypothetical example, starting at line 620, for a
21 hypothetical general-use electric customer that
22 heats their home using a fuel source other than
23 electricity using about 10,000 kWh. The customer
24 then converts to electricity to heat their home,

1 raising the annual usage to 50,000 kilowatt
2 hours. And you state that --

3 And I'm sorry. I should refer back
4 to page 28, line 613, where you introduce the
5 context for the hypothetical story, which is that
6 you discussed certain matters with AIC
7 distribution planners.

8 So back to page 29, you state that,
9 according to the distribution planners -- at line
10 625, you state "It is possible that the
11 larger-use customer would require the next
12 largest size transformer to be installed at a
13 customer's location."

14 And then you state, at the end of
15 line 627, "A larger transformer is typically no
16 more costly than a smaller transformer."

17 Would there be a cost to install this
18 hypothetical new transformer?

19 A. Yes. I'm sure there is a labor cost.
20 Anytime you send someone out to -- on a service
21 call, there is a cost.

22 Q. And would the -- would the rate-based
23 value of the new piece of equipment be greater,
24 the same, or less than the rate-based value of

1 the existing transformer?

2 A. I think it depends on the time that
3 the installation is made. At the time I made my
4 inquiry, distribution engineers told me that the
5 50 kVA transformer is actually cheaper than the
6 25 kVA transformer. So I don't know how that
7 would work out and balance with the added labor
8 cost of installing it. It may be the case where
9 there's no net impact.

10 Q. The existing transformer would likely
11 have already been depreciated to some degree for
12 a rate-based calculation, would it not?

13 A. Probably so. And the new one might
14 be as well, because the way we inventory, small
15 items like this may be previously capitalized and
16 actually capitalized once it comes into
17 inventory.

18 Q. Okay. Thank you.

19 And based on your discussions with
20 Ameren distribution planners, in the hypothetical
21 Oak Street example that Mr. Kennedy raised
22 before, if there were three homes on the street
23 and if two of them converted to electric space
24 heat, is there a chance that would cause more --

1 cause a need for more new equipment than if just
2 one home converted to electric space heat?

3 A. No. In my discussions with
4 engineers, I also asked them if they had ever
5 encountered the situation where a change in
6 residential load has prompted them to reconductor
7 a secondary or primary line or change a pole, and
8 the answer was no. That's coming from a
9 distribution engineer who has at least as much
10 tenure with the Company as I do. So he has 25,
11 maybe 30-plus years.

12 Q. Okay. Thank you.

13 Now, I'd like to skip ahead to page
14 36 of your direct testimony. At line 772, the
15 question is "The Commission also suggested that a
16 phased-in approach to the AG proposal could
17 potentially address concerns about the potential
18 to create rate shock for electric space-heat
19 customers. Do you believe that a phased-in
20 approach to the AG proposal could avoid rate
21 shock for electric space heating customers?"

22 Now, I read through your subsequent
23 answer, and I wasn't sure what your answer to the
24 question is. So could you summarize whether or

1 not you believe that a phased-in approach to the
2 AG proposal could avoid rate shock for electric
3 space-heating customers?

4 MR. KENNEDY: I'm going to object
5 because I'm not sure it's -- if Mr. Doshi is
6 talking about a hypothetical phased-in approach
7 or the phased-in approach that Mr. Rubin talks
8 about in his rebuttal testimony.

9 MR. DOSHI: Mr. Jones raised the
10 question in his testimony, but I guess I could
11 specify what kind of phased-in approach I'm
12 talking about.

13 Q. (By Mr. Doshi) How about the
14 phased-in approach that Mr. Rubin suggested in
15 his rebuttal testimony?

16 A. The one suggested by Mr. Rubin where
17 we start with the 36 percent and then go the
18 remainder in 2016? Is that --

19 Q. Yes.

20 A. -- my understanding of his proposal?

21 Q. Yes.

22 A. Yeah. That -- that proposal is very
23 risky and highly likely to result in unintended
24 consequences because we don't know what prices

1 are going to do in 2016. All variables are still
2 in play by the time we get to January 2016. We
3 don't know what the delivery service revenue
4 requirement will be. We don't know what power
5 supply prices are going to be, and we don't know
6 what transmission prices are going to be. And
7 it's my contention I think all three are headed
8 higher in 2016.

9 So I think, before that type of plan
10 is considered, we need to think about all of
11 those unknowns and whether or not that would be a
12 wise step. In my opinion, it's not.

13 Q. So, in your opinion, the phased-in
14 approach presented by Mr. Rubin in his
15 rebuttal -- or let me rephrase it.

16 In your opinion, do you believe it is
17 possible that the phased-in approach presented by
18 Mr. Rubin in his rebuttal could avoid rate shock
19 for electric space heat customers?

20 A. No, I don't think it would. I think
21 we would risk a greater chance of rate shock for
22 space-heat customers under his proposal.

23 Q. And is that because rate design would
24 be changing twice?

1 A. Well, it's -- rate design would be
2 changing twice. The level of delivery service
3 rates is likely to increase again in 2016. So
4 you have the overall magnitude of the change to
5 worry about as well as the next step. So you
6 have delivery services in 2016. The base level
7 will increase. We just don't know by how much
8 right now, and you'll be completing the second
9 step of the transition into an approximately 28
10 percent fixed-cost recovery which will push
11 additional costs to the higher-use customers that
12 we serve, which includes the space-heat -- many
13 of the space-heat customers that we serve.

14 And, as I said, in 2016 -- by the
15 time we get to June 2015, we'll have an idea what
16 power supply prices will be available to
17 customers, and as I've testified in my rebuttal,
18 I think those prices are headed higher as well,
19 and there's no longer a discount available to
20 space-heat customers. So they'll feel the
21 full -- full force of the increase, and
22 transmission service rates are probably headed
23 higher as well.

24 So when you consider all of those

1 items, I think we have a great deal of
2 uncertainty in 2016, and I would strongly advise
3 not to adopt a two-step approach.

4 Q. I was going to ask this question in
5 reference to your rebuttal, but I'll ask it now.
6 What is your basis for believing that the BGS
7 power supply rates will go up in 2015 -- June
8 2015 and/or October 2015?

9 A. The two -- two items that lead me to
10 that conclusion: The first is actually one of
11 the cross exhibits that Mr. Kennedy admitted
12 earlier this morning that showed that the
13 competitive supply offers are all above what
14 Ameren Illinois is offering through the BGS
15 product right now. So the market seems to be
16 telling us that prices should be higher in order
17 to be competitive -- you know, competitive with
18 the market.

19 And there's a reason why the Ameren
20 Illinois rate is lower than the market today, and
21 that's because we have, through the IPA, secured
22 tiered of layers of power supply contracts, and a
23 couple years ago we procured a tier that is today
24 well below today's market value, and a big

1 portion of that contract is expiring next June --
2 before we get to next June and will have to be
3 replaced with -- if today's market is any
4 indication, at a rate that is quite a bit higher
5 than the current contract rate.

6 So that -- that leads me to believe
7 that power supply -- BGS prices offered by Ameren
8 will increase next year.

9 Q. I'd like to refer back to the Plug In
10 Illinois competitive supply Web page printout
11 that Ameren counsel earlier marked as Cross
12 Exhibit 11, and then it was admitted via
13 administrative notice.

14 Mr. Jones, would you like me to --
15 well, let me ask my question and then -- and
16 then, if you'd like to see a copy of it, then
17 maybe Mr. Kennedy could hand it to you.

18 Are you aware that several of the
19 power suppliers listed on this Web page are
20 offering some form of what they call green or
21 clean energy?

22 A. Yes. I see that.

23 Q. Would you agree that offering green
24 or clean energy would tend to result in an above

1 market price?

2 A. It can, but that's not always the
3 case. I've seen it offered in the past where
4 there's really not that much of a price
5 differential. Just depends on the renewable
6 energy market at the time the deal is being made.

7 Q. Okay. Thank you.

8 Mr. Jones, did all the analyses of
9 bill impacts that you prepared as exhibits to
10 your direct and rebuttal testimony on rehearing
11 take into account the number of Ameren
12 residential customers who are taking alternative
13 retail electric supply service as -- as Ameren's
14 Cross Exhibit 10 indicates?

15 A. No. We don't know what the
16 customer's are actually signed up for. Customers
17 are signed up for a variety of power and energy
18 supply products. We really don't pay attention
19 to those.

20 Q. So would you agree that it would be
21 impossible from your perspective to prepare an
22 analysis -- a comprehensive analysis of bill
23 impacts? If you had all the computing power and
24 college intern help in the world, it would be

1 impossible to prepare a bill impacts study or
2 analysis for all residential Ameren customers for
3 the reason that you don't have data on their
4 alternative retail electric supply service?

5 A. When you say "a bill impact
6 analysis," what are we comparing in this
7 analysis? Just so I understand.

8 Q. You prepared at -- for example,
9 Ameren Exhibit 2.6 RH, you prepared an analysis
10 of total bill impacts from the present rates to
11 proposed rates in 2015 using Ameren's proposed
12 rate design. I assume you used the present and
13 proposed BGS-1 prices to do that analysis; is
14 that right?

15 A. We used -- yeah, what we used for the
16 BGS prices in this exhibit were the BGS prices
17 that were in effect prior to this June, and it's
18 held constant to just represent a proxy for the
19 power supply cost so we can get to a total bill.

20 Q. Okay. Thank you.

21 So because you lack data on the
22 actual supply prices that customers of
23 alternative retail electric suppliers face, you
24 would not be able to replicate this analysis for

1 all the one million -- approximately one million
2 Ameren residential customers using their actual
3 rates?

4 A. That's true. Yes.

5 Q. Okay. Thank you.

6 I'd like to ask you about the
7 alternative mechanism that you introduce at page
8 37 of your direct testimony, and at pages 39
9 through 40, you showed a chart of 12 profiles.
10 These are the same profiles we asked about in AG
11 Cross Exhibit 2. And I believe these profiles
12 are also used for a certain rate-omitting
13 mechanism in Rider PER; is that correct?

14 A. Yes.

15 Q. What is the significance of these
16 profiles?

17 A. The profiles are designed to evaluate
18 potential bill impacts that various -- for the
19 most part, higher-use customers would experience
20 as we attempt to move prices on a revenue-neutral
21 basis. So we're just moving -- we're moving
22 revenue around within the class, not changing the
23 overall revenue for the class.

24 But these profiles were implemented

1 and used in Rider PER to make sure that the bill
2 impacts were within a 7 1/2 percent -- no more
3 than a 7 1/2 percent change from the prior year's
4 rates when you're evaluating the customer's bill
5 for delivery of power. So it's really a
6 mechanism to protect -- make sure that we're not
7 moving too fast.

8 Q. Thank you.

9 I guess my question is the particular
10 kilowatt-hour usage numbers in these profiles --
11 why did you pick these numbers? Why did you pick
12 profile one with an average of 2,000 kilowatt
13 hours per month in the summer, 1,500 on average
14 kilowatt hours per month in October and May,
15 4,500 on average kilowatt hours in winter months,
16 and then so on and so forth? Why did you pick
17 the numbers in profile two and three and four?
18 What is the significance of those particular
19 profiles? Why should we worry about these
20 profiles and not others?

21 A. These are the profiles that rose to
22 the level of concern when we were faced with rate
23 changes in 2007, and it was determined that using
24 these profiles would protect against undue bill

1 impacts for those types of customers that were
2 hurt the most in 2007.

3 And, also, these -- at least nine of
4 the profiles were selected by Staff witness
5 Trosten Clausen. He had originally proposed this
6 idea in the 11-0279 docket, and through further
7 discussion, we decided, you know, in discussions
8 with Mr. Clausen, to add three more profiles to
9 include additional groups, you know, to make sure
10 that we're not missing someone or some category
11 of service that would be unduly impacted as we
12 made our proposal to change the Rider PER and BGS
13 rates.

14 Q. Thank you.

15 Can you turn to what I previously
16 called AG Cross Exhibit 2, your responses to data
17 request AG 4.01 RH. Could you turn to the final
18 page of that, part (e). We asked for each of
19 those 12 profiles in the chart for the
20 alternative mechanism in your direct testimony --
21 roughly we asked could you tell us how many
22 actual customers have an actual profile that is
23 within 3 percent of the average usage value
24 specified by these profiles.

1 And the response is there's one such
2 customer who is within -- who has an actual usage
3 profile within 3 percent of profile one from your
4 chart; eight actual customers within 3 percent of
5 profile two; and, of course, you can read the
6 rest of it.

7 It looks like the total of all
8 customers who are within 3 percent of any of
9 these profiles seems to be something like --
10 maybe, at best, 5 percent of 1 percent of all
11 Ameren customers. Would that be fair to say?

12 A. That's what the exhibit shows.

13 Q. Do you think more -- if a mechanism
14 like this were to be used for Ameren's electric
15 rate design, more characteristic profiles might
16 be used to better capture actual customer usage?

17 A. The model is flexible. You can add
18 as many profiles as you like, and I would have no
19 objection to anyone adding profiles to the model
20 if you felt it would be more inclusive or would
21 capture a group that we -- that we missed out of
22 this.

23 Keep in mind the purpose of these
24 profiles are to protect against the higher-

1 user -- the higher-use customers. And we already
2 know that customers that use more than 20,000
3 kilowatt hours a year only represent 10 percent
4 of Ameren Illinois customer class. So really
5 that's the audience we're talking about. I
6 think, in Mr. Rubin's rebuttal, he provided an
7 analysis that was a little bit more expansive
8 than a 3 percent tolerance.

9 Q. He did.

10 A. That came up with an approximate 12
11 percent inclusiveness. And really that's the
12 targeted audience that we're after.

13 Q. And why is 7.5 percent an appropriate
14 cap on total bill impacts?

15 A. It's -- it's a judgment. It's
16 proven. It's been used in Rider PER to adjust
17 prices. I'm not aware of any public outcry
18 that's occurred as we've moved those prices to a
19 uniform -- uniform level over the past three or
20 four years.

21 And we know -- we also know -- to
22 your point earlier, we know that there are
23 certain profiles that have even heavier usage in
24 some months, and their percentage impact might be

1 greater than 7 1/2 percent. So when you factor
2 all of these items together, I think the goal is
3 to try to keep the overall change within a 10
4 percent boundary for even more customers than we
5 show on the -- in the profiles.

6 Q. Thank you.

7 The Rider PER rate-omitting mechanism
8 is applied each June; is that right?

9 A. Yes.

10 Q. The current -- this current docket is
11 to implement a change -- potentially implement a
12 change in Ameren's residential electric
13 distribution service rate design that would be
14 implemented in January 2015; is that correct?

15 A. That's correct.

16 Q. And the AG's proposal -- the AG's
17 primary proposal is not to continue adjusting the
18 rate design for two years or three years or any
19 more than just one time. Would you agree with
20 that?

21 A. Yes. Their primary proposal is to
22 move immediately to the approximate 28 percent
23 customer and meter charge recovery.

24 Q. Okay. Thank you.

1 Do you know if space-heat customers
2 are more or less likely than non-space-heat
3 customers to use alternative residential
4 electric -- sorry -- alternative retail electric
5 supply?

6 A. I'm not aware of any evidence that
7 would lead me to believe that there's a
8 difference.

9 Q. Okay. Thank you.

10 MR. KENNEDY: If I may ask --

11 MR. DOSHI: Yes.

12 MR. KENNEDY: -- Mr. Doshi. It's
13 been about an hour. I just wondered how much
14 longer you had.

15 MR. DOSHI: Yes. I think I've been
16 going for about 51 minutes. I believe
17 Mr. Kennedy -- Mr. Kennedy went about 20 minutes
18 past his allotted time with Mr. Rubin earlier.
19 If Mr. Kennedy would permit, could I take ten
20 more minutes with Mr. Jones?

21 MR. KENNEDY: It's not up to me, but
22 fair point.

23 MR. DOSHI: Your Honor, could I take
24 ten more minutes?

1 JUDGE VON QUALEN: You may continue.

2 MR. DOSHI: Thank you.

3 Q. (By Mr. Doshi) Could you please
4 look at your rebuttal testimony at page 10. At
5 page -- or sorry -- line 205, you state -- or the
6 question is "In response to data request AIC-AG
7 5.01, Mr. Rubin states your schedules are
8 misleading because they do not reflect the
9 changes in non-summer BGS rates scheduled to take
10 effect in October 2014. Do you agree with this
11 opinion?"

12 And you say "No." At line 204, "The
13 data response sought to compare the difference
14 between the AIC and AG rate designs. Introducing
15 a third variable, the effect of power supply
16 price changes, would not allow an evaluation of
17 bill impact changes due to the change in rate
18 design methods."

19 Do you see that?

20 A. I do.

21 Q. In that response, it sounds like
22 you're valorizing the purity of a theoretical
23 comparison between the two rate designs without
24 considering the actual bill impacts in light of

1 the expected changes in power supply charges.

2 Why is a theoretical analysis better?

3 A. Well, I don't know if it was a
4 theoretical or not, but I was answering the CLH
5 1.01 R and 1.06 R, which sought to evaluate the
6 change in delivery serviceability packs. Like I
7 said in the answer, to introduce a third
8 component, the BGS supply or a change in the BGS
9 supply, would make that comparison impossible
10 because then you would have to try to figure out
11 what is delivery, what is power, and how that
12 lines up. If the question was different, I would
13 have responded differently.

14 Q. The question of your testimony is if
15 you agree with Mr. Rubin's opinion that -- that
16 the analysis you provided in response to the
17 Staff's questions -- data requests is misleading
18 because it doesn't take into account the actual
19 expected change in supply charges. Would you
20 agree that to ignore the actual expected changes
21 in supply charges is misleading when doing a
22 total bill impact analysis?

23 A. If the question calls for inclusion
24 of the overall change in power supply rates, then

1 I would have answered that way.

2 Q. If the Commission or a regular
3 customer were trying to evaluate the likely
4 impacts of the competing rate designs in this
5 case, should they, in your opinion, take account
6 of the expected actual changes in BGS power
7 supply charges?

8 A. Perhaps. I -- you know, it's looking
9 for an annual comparison of bill impacts and also
10 I believe a January and then an August. We don't
11 know what the power supply prices are beyond May
12 of 2015. So it would invite speculation on my
13 part on introducing my estimates of what BGS
14 prices would be come June 2015.

15 Q. But we know we can do the analysis at
16 least for January; is that right? Because we
17 know what the BGS price will be in January 2015?

18 A. We know January.

19 Q. Okay. Thank you.

20 Please turn to page 12 of your
21 rebuttal testimony. At line 261, you state
22 "Mr. Rubin states his belief that customers who
23 did not receive bills for all 12 months of 2012
24 should not be included in his analysis because

1 doing so would artificially increase the number
2 of customers who appear to have low levels of
3 annual usage."

4 And then your response, at line 265,
5 you say "I would add that, in paring down the
6 2012 data, Mr. Rubin likely also omitted
7 thousands of households that would have been
8 included in the higher-use rate groups as well."

9 Do you see that?

10 A. I do.

11 Q. In your opinion, which effect was
12 likely more predominant when Mr. Rubin cut out
13 customers without 12 months billing: that the
14 customers with low use were omitted or customers
15 with high use were omitted?

16 A. Both are omitted when that is done.
17 Both low use and high use.

18 Q. Do you have an opinion as to how many
19 low-use customers would be omitted versus how
20 many high-use customers when Mr. Rubin took the
21 step of cutting out customer records without 12
22 months of data?

23 A. No.

24 Q. Okay. Okay. Thank you.

1 On page 13 of your rebuttal, line
2 281, you state "We know that customers with
3 annual consumption levels that high" -- and I
4 think you're referring back to line 277 where you
5 talk about 5,000 kilowatt hours of usage per
6 month. Back at 282, "We know that customers with
7 annual consumption levels that high were among
8 the customers most vehemently complaining to the
9 Commission and legislative leaders in 2007."

10 How do you know that? Did they tell
11 you their usage when they complained?

12 A. We were occasionally -- yes. We were
13 occasionally given phone numbers to look up on
14 our system and to grab their usage. In fact, the
15 60,252 annual usage profile that I use in many of
16 my exhibits was a low-income customer who
17 happened to use that much energy. That was one
18 of the real customers that contacted the Company
19 through some means, and we've included that
20 profile ever since.

21 Q. Okay. Thank you.

22 And turn to page 15 of your rebuttal.
23 At line 327, you state "By using the median
24 January usage for his rate group T" -- I think

1 rate group T is Mr. Rubin's highest-usage
2 grouping -- "a rate group" -- here's your
3 testimony again -- "a rate group that ranges from
4 24,196 kWh to 125,000-plus kWh, Mr. Rubin
5 understates the severity of bill impacts to
6 highest-usage residential customers."

7 Then at line 330, you state "Over
8 77,000 AIC residential customers had usage in
9 January 2014 of 3,224 kilowatt hours or greater."

10 Would you agree that January 2014 was
11 an unusually cold month by historical standards?

12 A. Yes. Or at least by recent
13 history -- historical standards.

14 Q. Would you agree that, if January 2015
15 is an average weather month by historical
16 standards, then all else being equal, that would
17 probably result in less usage by electric
18 space-heating customers?

19 A. It likely would, yes.

20 Q. Okay. Thank you.

21 Can you turn to page 19 of your
22 rebuttal. At line 407, you state that "The
23 approved 44.8 percent SFV rate design distributes
24 the residential delivery service increase much

1 more evenly than the AG rate design."

2 Do you see that?

3 A. I do.

4 Q. Isn't it true that the mathematical
5 effect or the -- or Ameren's revenue requirement
6 increase would be distributed evenly across
7 different types of usage -- usage groups that --
8 that you found when you analyzed bill impacts
9 just sticking with Ameren's 44.8 percent? Isn't
10 it true that that's a result of simply sticking
11 with the status quo percentage rather than
12 anything special about the 44.8 percent number?

13 A. Yes.

14 Q. Thank you.

15 Okay. I have two more questions.

16 Can you turn to page 29 of your
17 rebuttal. You state that, at line 610,
18 "...decreasing the SFV percentage from 44.8
19 percent to 36 percent for rates effective for
20 January 2015, in my opinion, would not be
21 consistent with the principle of gradualism..."
22 what do you mean by "gradualism"
23 there? And -- and -- I'll just leave it at that.
24 What do you mean by "gradualism"?

1 A. In that context, it is the customers
2 receiving a larger increase than the average
3 increase, and it just happens to be an abnormally
4 higher increase than the average.

5 So it's somewhat judgmental, but
6 it -- yeah, gradualism -- when you change the
7 rates, for example, the customer protection model
8 that I talked about earlier in testimony has a 7
9 1/2 percent total bill limit, and that is imposed
10 to make sure that we're moving rates by a gradual
11 amount so as not to experience undue customer
12 bill impacts.

13 Q. Okay. Thank you.

14 And I have one final question. Can
15 you turn to page 23 of your rebuttal testimony.
16 Starting at line 480, you refer to Ameren Exhibit
17 2.4 RH for a 5,000-kilowatt-hour general-use
18 customer, and you tell us what the total bill was
19 for such a customer in 2008 for Rate Zone I, Rate
20 Zone I Metro East, Rate Zone II, and Rate Zone
21 III.

22 Do you see that?

23 A. I do.

24 Q. Now, can you turn to Exhibit 2.4 RH.

1 A. Okay.

2 Q. Would you agree that, looking at the
3 annual bill for 2007 -- the annual total bill for
4 2007, which is -- which is given by the column
5 headed Rates Effective January 2, 2007, under the
6 Total Bill heading -- would you agree that the
7 annual bill for 2007 for your 5,000-kilowatt-hour
8 customer was lower than the total bill in -- the
9 total annual bill in 2008 for your
10 5,000-kilowatt-hour customer in each of Rate Zone
11 I, Rate Zone I Metro East, Rate Zone II, and Rate
12 Zone III?

13 A. Yes. That's what it shows.

14 Q. And would you agree that the same is
15 true for the 10,000-kilowatt-hour general-use
16 customer?

17 A. Yes.

18 Q. Okay. Thank you.

19 Your Honor, that's all my questions
20 for Mr. Jones.

21 I think -- I'm not sure if I formally
22 moved for the -- thanks, Chris -- for the
23 admission of Cross -- AG Cross Exhibits 1 and 2.
24 At this time I'd like to move for the admission

1 of those, please.

2 JUDGE VON QUALEN: Cross Exhibit 1
3 has already been admitted. Is there any
4 objection to AG Cross Exhibit 2?

5 MR. KENNEDY: No objection, Your
6 Honor.

7 JUDGE VON QUALEN: Then AG Cross
8 Exhibit 2 is entered into evidence.

9 Thank you, Mr. Doshi.

10 MR. DOSHI: Thank you, Your Honor.

11 MR. KENNEDY: Your Honor, may I have
12 90 seconds with my client?

13 JUDGE VON QUALEN: You may have.
14 We'll take a break.

15 MR. KENNEDY: Thanks.

16 (Short recess.)

17 JUDGE VON QUALEN: Back on the
18 record.

19 Mr. Kennedy.

20 MR. KENNEDY: Your Honor, we have no
21 redirect for Mr. Jones.

22 JUDGE VON QUALEN: All right.

23 Is there any objection to Mr. Jones'
24 testimony as thoroughly described by Mr. Kennedy

1 earlier this afternoon?

2 (No response.)

3 JUDGE VON QUALEN: Hearing no
4 objections, Mr. Jones' direct, with all
5 attachments, and rebuttal, with all attachments,
6 testimony are entered into evidence.

7 Thank you, Mr. Jones.

8 MR. JONES: Thank you.

9 JUDGE VON QUALEN: I believe that
10 concludes the evidentiary portion of today's
11 hearing.

12 MR. KENNEDY: Yes.

13 And I'd like to add, Your Honor, that
14 we did refile that exhibit already.

15 JUDGE VON QUALEN: Oh. Very well.

16 MR. KENNEDY: So it's already in the
17 record.

18 JUDGE VON QUALEN: Okay.

19 I have on my notes that we have
20 briefs -- a briefing schedule already. See if I
21 can find it. Initial briefs due July 29th, and
22 reply briefs due August 6th. Is that what
23 everybody's calendar shows?

24 MR. OLIVER: Yes, Your Honor.

1 MR. KENNEDY: Yes, Your Honor.

2 JUDGE VON QUALEN: All right.

3 And then I have indicated that -- a
4 tentative date for a proposed order on August
5 28th, and a tentative date for briefs on
6 exceptions of September 11th, and I believe the
7 parties have waived reply briefs on exceptions.

8 MR. KENNEDY: That's correct, Your
9 Honor.

10 JUDGE VON QUALEN: All right.

11 Is there anything else that we need
12 to talk about this afternoon?

13 MR. KENNEDY: Would you like to mark
14 the record heard and taken?

15 JUDGE VON QUALEN: Yes, I would.

16 MR. KENNEDY: That's it.

17 JUDGE VON QUALEN: All right. Then
18 with that, I will mark the record heard and
19 taken.

20 Thank you all.

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CERTIFICATE OF REPORTER

[illegible]

I, ROBIN A. ENSTROM, a Registered Professional Reporter and Certified Shorthand Reporter within and for the State of Illinois, do hereby certify that the foregoing proceedings were taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

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